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Coordination, programme and other questions: mainstreaming a gender perspective into all policies and programmes in the United Nations system

Mainstreaming a gender perspective into all policies and programmes in the United Nations system

Report of the Secretary-General

Summary

The present report is submitted in response to Economic and Social Council resolution 2011/6. Based on a variety of sources, including responses received from United Nations entities, the report assesses progress made in the implementation of the gender mainstreaming strategy across the United Nations system. It places a special emphasis on the promotion of accountability for system-wide work on gender equality and the empowerment of women at both the global and country levels. The report presents the recently approved system-wide action plan on gender equality and the empowerment of women, which institutes a system-wide accountability framework. The action plan is the result of a consultative process facilitated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and engaging the United Nations entities that are members of the Inter-Agency Network on Women and Gender Equality.

The report also includes recommendations aimed at further progress, for consideration by the Economic and Social Council.

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I. Introduction

1. The present report has been prepared in response to paragraph 8 of resolution 2011/6 of the Economic and Social Council, in which the Council requested the Secretary-General to submit to it at its substantive session of 2012 a report on the implementation of the resolution, with particular emphasis placed on progress in promoting system-wide accountability on gender equality and the empowerment of women at both the global and country levels.

2. In the resolution, the Economic and Social Council requested the United Nations system to continue the mainstreaming of a gender perspective in accordance with previous resolutions of the Council, in particular resolution 2008/34, and General Assembly resolution 64/289. The Council also requested the mainstreaming of a gender perspective into all operational mechanisms, including the United Nations Development Assistance Framework and other development frameworks, ensuring that managers provided leadership and support, to advance gender mainstreaming, strengthening monitoring and evaluation so as to allow system-wide assessment of progress. In addition, the Council called upon the United Nations Entity on Gender Equality and the Empowerment of Women (UN-Women), in accordance with General Assembly resolution 64/289, to fully assume its role in leading, coordinating and promoting the accountability of the United Nations system in its work on gender equality and the empowerment of women.

3. The present report is organized in five sections. Section I contains the introduction; section II provides an overview on progress in the implementation of resolution 2011/6; section III assesses the progress of the work carried out by UN-Women in its role of leading, coordinating and promoting the accountability of the United Nations system in its efforts to achieve gender equality and the empowerment of women; section IV presents an overview of remaining gaps and challenges; and section V includes recommendations aimed at accelerated action for consideration by the Council.

4. The report draws on information and data provided, in response to questionnaires issued by UN-Women, by 33 United Nations entities[1] and the

[1] The Department of Peacekeeping Operations, the Department of Political Affairs, the Division for Public Administration and Development Management, the Department of Economic and Social Affairs, the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia (ESCWA), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the International Labour Organization (ILO), the International Trade Centre (ITC), the International Training Centre of ILO, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Office for the Coordination of Humanitarian Affairs, the Office of Internal Oversight Services (OIOS), the Office of the United Nations High Commissioner for Human Rights (OHCHR), the secretariat of the Permanent Forum on Indigenous Issues, the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), UN-Women, the United Nations High Commissioner for Refugees (UNHCR), the United Nations Interregional Crime and Justice Research Institute, the United Nations Industrial Development Organization (UNIDO), the United Nations Population Fund (UNFPA), the United Nations Regional Centre for Peace and Disarmament in Africa, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Research Institute for Social Development (UNRISD), the United Nations Volunteers programme (UNV), the World Food Programme (WFP) and the World Health Organization (WHO).

Resident Coordinators in the eight countries in which United Nations Development Assistance Frameworks are scheduled to be rolled out in 2012-2013.[2]

II. Implementation of resolution 2011/6

A. Results-based management

5. The United Nations system approach of contributing to nationally owned results is focused on strengthening national capacities, reinforcing national leverage and widening policy choice.[3] Results-based management for gender equality is a management strategy in which development actors design, implement, monitor and evaluate their actions in the context of their contributions to a set of gender equality results, i.e., their interventions contribute to the process of social and economic change that promotes gender equality as a development goal in its own right. By identifying and analysing inequalities, discriminatory practices and systemic drivers of discrimination and unjust and imbalanced power relations, United Nations entities help to address in a more effective manner both development challenges that specifically affect the situation of women and girls and broader development challenges, leading to more sustainable results.[4]

6. At the corporate level, most United Nations entities continued to develop or update gender-related policies, strategies and action plans with gender-related expected outcomes and performance indicators, which guide the mainstreaming of gender. New developments included the 2011 FAO "Policy on gender equality: attaining food security goals in agriculture and rural development". IFAD, ITC and OHCHR also reported new policies on gender mainstreaming. UNHCR updated its age, gender and diversity policy. The Division for Public Administration and Development Management of the Department of Economic and Social Affairs incorporated gender into its strategic framework in order to further streamline gender issues into its activities related to public administration and development management. Furthermore, the UNRWA gender action plan for 2012-2013 was developed, serving as a basis for the assessment of the Agency's commitment to the achievement of gender equality in terms of the services provided to Palestinian refugees.

7. Most United Nations entities reported the use of multi-year funding frameworks, strategic frameworks and budgets that incorporate gender equality as a cross-cutting issue. For example, the promotion of gender equality in ILO is cross-cutting in the ILO programme and budget for 2012-2013, for which the entire organization shares responsibility. Each of its 19 outcomes has a separate section specifically outlining how gender equality and discrimination will be addressed. Entities also reported gender-related performance standards with clear benchmarks and targets. In UNAIDS, 2 of the 10 corporate goals of the 2012-2015 unified budget, results and accountability framework are on gender equality: (a) meeting the

[2] Afghanistan, Bosnia and Herzegovina, Burundi, Chile, Paraguay, Tajikistan, Togo and Venezuela (Bolivarian Republic of).

[3] See "Strengthening RBM harmonization for improved development results", United Nations Development Group, 2010.

[4] "Integrating human rights and gender equality in evaluation: towards UNEG guidance", United Nations Evaluation Group, 2011.

gender-specific needs of women and girls in HIV response; and (b) zero tolerance for gender-based violence. Each goal includes specified outcomes, outputs and activities, and there are indicators of impact, outcome and output.

8. Overall, these policy documents and funding frameworks promote gender equality and the empowerment of women, including by providing guidance on how to implement a well-coordinated approach and by allowing for the tracking of performance and enhancing reporting and accountability. They also guide members of the United Nations country teams in the incorporation of gender perspectives into operational activities, through the definition of programme direction and priority focus areas for interventions to ensure that a gender perspective is mainstreamed throughout the entities' organizational mandates.

9. At the national level, the United Nations system is promoting results-based management for gender equality as one of the principles for the programming of its operational activities. The 2010 United Nations Development Group guidance note on the application of the programming principles to the United Nations Development Assistance Framework reinforces coordinated system-wide and country-level efforts to use results-based management with a view to integrating gender equality into United Nations-supported programmes.[5] Moreover, the Group's handbook on results-based management provides additional guidance to for United Nations country teams in ensuring that gender issues are thoroughly reflected in their results frameworks. The United Nations Development Assistance Framework programming network of the Group conducted a peer review of 13 United Nations Development Assistance Frameworks for the period 2011-2016. Through an analysis of outcomes and outputs, the review confirmed the integration of gender issues, describing the changes for rights-holders and duty-bearers leading to progress in gender equality and women's empowerment, as well as indicators for tracking progress towards gender equality.

10. United Nations country teams are expected to contribute to the national development process, including through national and sectoral vision statements and development plans, poverty reduction strategy papers, sector-wide or programme-based approaches, technical support for the provision of direct budget support and joint assistance strategies, and other mechanisms, making use of their resources at the national level and, where appropriate, the regional and global levels. In doing so, the teams pursue gender-specific actions and promote women's empowerment, on the one hand, and facilitate the integration of gender equality concerns into political commitments to the formulation of policies, programmes and projects, on the other.

11. To date, all eight "Delivering as one" pilots have implemented United Nations country team performance indicators with respect to gender equality and gender audits, and/or have carried out initiatives aimed at the establishment of some form of gender marker to assess performance and investment. In the United Republic of Tanzania, the United Nations Development Assistance Plan One Plan for 2011-2015 established gender equality as a programming principle against which every action and activity must be monitored. Twenty per cent of One Fund allocations are

[5] In 2007, the United Nations adopted five programming principles for the common country assessment and the United Nations Development Assistance Framework: a human rights-based approach, gender equality, environmental sustainability, capacity development, and results-based management.

dependent on the delivery of cross-cutting considerations in the areas of gender equality and human rights, and the quality assurance review includes gender equality indicators. In Viet Nam, the One Plan for 2012-2016 includes $40 million allocated to gender equality programming (10 per cent of the budget), tracked through a gender marker and representing a twofold increase compared with the previous plan.

B. Oversight: monitoring, evaluation, audit and reporting

12. Evaluation and gender audits seek to determine whether a gender perspective has been integrated into policies and programmes, and they highlight the importance of clear implementation and monitoring mechanisms to ensure visible and institutionalized efforts towards gender equality results. For example, the midterm review of UNDP assessed progress in the implementation of its gender equality strategy for 2008-2013. UNDP also started a pilot on Gender Equality Seal certification, to assess and certify gender-related performance in its Argentina, Bhutan and Kyrgyzstan country offices. The monitoring and evaluation strategy of UNEP requires that gender actions be monitored in terms of project outputs by the appropriate programme managers.

13. WFP conducted a gender equality institutional assessment, which, while acknowledging the Programme's strengths, also highlighted areas for improvement, including reporting on results relating to gender equality issues and integrating gender into WFP policies, projects and guidance documents. Through its participation in the Asia-Pacific Regional Advisory Group on Women, Peace and Security, ESCAP monitors progress in the implementation of Security Council resolution 1325 (2000). As part of the Task Force on Human Rights and Gender Equality of the United Nations Evaluation Group, OIOS supported the development of a handbook entitled "Integrating human rights and gender equality in evaluation: towards UNEG guidance". The Office piloted the handbook in its programme evaluations of the United Nations Mission in the Sudan (see A/65/752) and the Department of Economic and Social Affairs (see E/AC.51/2011/2).

14. At the national level, United Nations entities continued to the use United Nations country team performance indicators and reported positive experiences with respect to gender assessments. Nevertheless, they differed in terms of the quality, scope, understanding and use of these assessments across countries and regions and their effectiveness in informing gender-related programming. For example, while UNAIDS reported increased use of gender assessments at the national and regional levels, only a few of the assessments included a review of institutional capacity to address gender and HIV.

C. Human and financial resources

Human resources and institutional arrangements

15. Entities are increasingly incorporating gender equality into their organizational strategic frameworks, programmes of work and budgets as a cross-cutting objective or goal. To this end, senior management leadership has been crucial. For example, in 2011 the Department of Political Affairs held two special management meetings that were focused on gender-related commitments; a director was tasked with gender

policy development and monitoring oversight. ILO developed a module on "Managing for gender equality" to help managers acquire the leadership and personal effectiveness skills necessary to ensure a gender-friendly work environment. Examples of existing arrangements include the stand-alone report on the organization's actions to promote gender equality and women's empowerment that the Director-General of UNESCO presents to each session of the organization's General Conference. In UNIDO, a gender adviser takes part in the appraisal group and advises managers on mainstreaming gender into all programmes or projects at the design and planning stages. Since 2011 in OHCHR, senior managers have been assisted by gender facilitators in addressing coordination and management issues. In ECLAC, the Division for Gender Affairs provided substantive support aimed at the mainstreaming of a gender perspective into the strategic planning exercise for the 2014-2015 biennium, carried out in 2011. As result, the gender dimension was integrated into the logical frameworks of all 13 subprogrammes.

16. Assessment of the capacity of United Nations staff in terms of efforts to achieve gender equality continues to be reported by various United Nations entities. For example, the UNHCR age, gender and diversity policy (2011) stipulates that all operations are obliged to incorporate an age, gender and diversity perspective into the design, implementation and assessment of all UNHCR activities. In addition, FAO has created an accountability mechanism on gender mainstreaming for senior review and gender focal points by including gender in their performance reviews.

17. Gender specialists, focal points and focal point networks play a key role in promoting gender mainstreaming. Many entities have established gender specialist teams, including the Department of Political Affairs, the Department of Peacekeeping Operations, FAO, ILO, including its International Training Centre, OHCHR, UNAIDS, UNDP, UNICEF, UNFPA and WHO. The gender advisory teams in the Department of Peacekeeping Operations and the Department of Field Support support the mainstreaming of gender into the work of missions and Headquarters. In the Department of Political Affairs, a gender focal point network regularly monitors and reports on issues relating to women and peace and security. WHO has reported the placement of gender focal points in specific departments and all WHO regions and capacity-building training as means to promote gender mainstreaming in the organization.

18. United Nations entities reported efforts to upgrade their gender focal points and to establish cross-cutting teams to promote the mainstreaming of a gender perspective into their work and to assist the development of gender-related policies and strategies. For example, FAO revised its gender focal point structure by appointing gender focal points at a more senior level, developing new terms of reference and allocating at least 20 per cent of their time to the promotion of gender equality and the empowerment of women.

19. Gender theme groups play a critical role as convenors of women's groups and as gender equality advocates to influence the development agenda in the context of joint programming. In Fiji and Samoa, for example, gender theme groups have supported gender mainstreaming in the United Nations Development Assistance Framework process and have developed proposals aimed at improving gender equality performance in key areas.

20. Operational guidance and relevant manuals, reference materials and checklists are reported as means to enhance the awareness of United Nations staff, including

senior management, with respect to what they are expected to deliver in terms of gender mainstreaming. For example, the Inter-Agency Standing Committee's *2012 Gender Marker Report: Analysis of Results and Lessons Learned* demonstrates the added value of joint programmes carried out by humanitarian organizations.

21. Ensuring gender balance in staffing across the United Nations system continues to be a challenge. In 2010, the representation of women in the system was 40 per cent, ranging from 57.3 per cent at the P-2 level to 38.4 per cent at the P-4 level and 25.7 per cent at the D-2 level. Between December 2008 and December 2010, the highest rate of growth was 6.5 per cent (from 24.4 to 30.9 per cent), at the Assistant Secretary-General level and above, which clearly showed the personal commitment of the Secretary-General to achieve gender parity in hiring. Through Policy Committee decision 2011/19, the Secretary-General called upon all heads of departments, offices and missions to accelerate progress towards gender parity, with particular attention accorded to improving gender balance at the P-4 to D-2 levels; to include at least one female candidate in all candidate lists; and to maintain accurate statistics on the representation of women at all levels, including an appropriate baseline for five-year projections, against which progress is measured.

Financial resources

22. The importance of regular and predictable funding for gender equality was emphasized by United Nations entities. Some entities have budgets that visibly allocate financial and human resources to gender mainstreaming in order to achieve gender equality goals. Examples in 2011 included UNICFF, where 58 per cent of programme budget expenditures went towards results that contributed principally or significantly to the promotion of gender equality. An analysis of the UNDP gender marker shows that 32 per cent of its total expenditure in 2011, either made a significant contribution to gender equality or had gender equality as its principal objective. In UNESCO, 17.5 per cent of the total budget of the programme sectors for the biennium 2010-2011 was allocated to gender equality issues. IFAD invested 13 per cent of its total programme management development budget related to staff time in the promotion of gender equality, with 14 per cent of the budget dedicated to gender-related activities. Using the Inter-Agency Standing Committee gender marker, the Office for the Coordination of Humanitarian Affairs identified a decrease in the number of gender-blind projects from 45 per cent in 2010 to 10 per cent in 2012. In 2011, the Permanent Forum of Indigenous Issues funded 16 projects that were gender-responsive, 4 of which were aimed at the empowerment of women and the elimination of violence against indigenous women.

23. United Nations entities reported the ongoing development of gender markers, which are tools for tracking financing and results towards gender-responsive development outcomes. The trend is towards the systematic tracking of targeted interventions to achieve women's empowerment, and the further definition of criteria to enhance the accuracy of reporting on financial commitments to advance gender equality and women's empowerment in the programmes of United Nations entities. Developments in 2011 include the following:

(a) The system-wide action plan on gender equality and the empowerment of women includes a performance indicator to assess whether an entity has a gender marker in place and whether the marker is linked to resource allocations to efforts to achieve gender equality and the empowerment of women;

(b) In response to the Secretary-General's seven-point action plan on women's participation in peacebuilding, a gender marker is used to determine whether at least 15 per cent of United Nations-managed funds in support of peacebuilding are dedicated to gender equality (see A/65/354-S/2010/466);

(c) WFP has adopted the Inter-Agency Standing Committee gender marker as part of its gender mainstreaming accountability framework;

(d) Following UNDP and UNICEF, UNFPA and ITC have adopted a marker system to monitor the allocation and expenditure of resources for gender mainstreaming and to improve planning and programming in the area of gender equality. In UNFPA, the gender marker has been piloted in Azerbaijan, Burundi, Indonesia and Turkey; its implementation will be mandatory throughout the organization in 2013.

24. ESCWA, FAO and UNAIDS use different financial tracking mechanisms that permit the tracking of the organizations' gender-related results in terms of specific outcomes, outputs and activities.

25. Applying gender markers to institutional programming and financing instruments is a good practice adopted by the United Nations system. The markers have proved to be effective in mobilizing and coordinating financing towards the realization of women's rights. They also help to improve the effectiveness of development assistance and, more broadly, to improve the design and implementation of programmes. Nevertheless, the ability of the United Nations system to systematically assess gender-related resource allocation and expenditure continues to be limited by the existing financial mechanisms. Inadequate coding, lack of systematic reporting and incomplete data continue to challenge the implementation of gender markers and the development of a system-wide tracking mechanism that allows for aggregation and comparability. Owing to the nature of the interventions carried out, gender equality components are often integrated into projects, making it difficult to separate gender equality expenditure from "other" expenditure.

26. Overall, significant progress has been made within the United Nations system since 2008 in the development of means to track investments in gender equality, as well as the development of gender markers in a number of United Nations agencies. However, more can be done to improve their effective use. The review panel of the fifty-seventh session of the Commission on the Status of Women, which was focused on financing for gender equality, recommended that data be published publicly and on a regular basis; that the tracking systems be complemented with institutional measures for quality assurance, evaluation and capacity development; and that efforts be accelerated towards a United Nations system-wide gender marker that generates comparable data at the country and sectoral levels and utilizes comparable standards and parameters. In addition, the dissemination of best practices was suggested as a means to encourage the broader use of gender markers among United Nations entities.

27. United Nations entities will work to adopt gender markers that produce high-quality data that are comparable across the system. To that end, the subgroup on accounting for resources for gender equality (co-chaired by UNDP and UNICEF) of the United Nations Development Group task team on gender equality (chaired by UN-Women) has been preparing a paper setting out principles and standards for

gender markers to be adopted by United Nations entities. The paper is to be finalized and presented for consideration by relevant decision-making mechanisms within the United Nations system in the first half of 2012.

D. Capacity development

28. Entities reported efforts to enhance gender mainstreaming through staff development and training programmes aimed at sharpening United Nations staff skills in addressing gender-related issues. Initiatives undertaken in 2011 included a one-day ITC training programme that provides for a common understanding of gender across the organization, and a UNESCO capacity development and training course on gender mainstreaming provided to staff in its Brazil, Nepal, New Delhi and Iraq field offices. The gender equality and non-discrimination programme of the International Training Centre of ILO provides courses on the "gender campus" concerning basic concepts, gender in global development, gender budgeting and gender for statisticians.

29. Entities also reported the use of learning tools developed by or in cooperation with other entities. For example, in UNHCR, 251 staff registered for the e-learning course "Different needs, equal opportunities", developed by the Inter-Agency Standing Committee, and the e-learning course "Creating safe learning environments", which draws attention to gender issues while addressing the safety of educational environments.

30. United Nations entities also reported the use of available United Nations Development Group resources as well as entity-specific guidelines to assist United Nations staff in the United Nations Development Assistance Framework formulation process. For example, FAO has a dedicated intranet site on FAO and United Nations reform, from which guidelines on the country programming framework and guidelines for the organization's participation in the United Nations Development Assistance Framework process are available. ESCAP programme monitoring and evaluation guidelines contain recommendations to encourage the incorporation of gender dimensions into the development of indicators and related monitoring and evaluation procedures.

31. Despite the progress made in the development of capacity development programmes within United Nations entities, there remains room for improvement. Responses from United Nations entities, including Resident Coordinators, pointed out that focusing on theoretical material can be useful if the material is provided for reference, but tends to overload training sessions and to undermine the sharing of experiences and transfer of knowledge on the practical application of gender mainstreaming approaches. Training events and workshops that lack follow-up have limited effectiveness. Most learning programmes are available in only English and French, and the cost of the development and translation of e-learning products is high. Issues related to the compatibility of learning platforms and software solutions delay the development of certain learning products. Furthermore, in moving from a learning environment to an applied operational environment, staff often find it difficult to integrate gender mainstreaming information into their day-to-day work.

32. Identified strategies for overcoming these gaps and challenges include: contextualizing training in the context of national and regional experiences; providing options for training such as self-learning, workshops, peer interaction,

coaching and mentoring; and linking capacity development concepts to practical applications and to development mechanisms such as United Nations Development Assistance Frameworks and the poverty reduction strategy papers. Furthermore, guidance tools work best when they are introduced either through web-based seminars or on a face-to-face basis, and when they are informed by a well-formulated needs assessment, developed together with the participants and placed in the context of a longer-term strategy, including follow-up activities in the form of coaching and mentoring. Internal information-sharing through web-based information and knowledge exchange platforms and theme-specific seminars are other good practices in this area.

Data collection and analysis

33. Sex-disaggregated information and gender-responsive indicators have assumed increased importance in the work of the United Nations, in particular in the development frameworks, including the United Nations Development Assistance Framework, the Millennium Development Goals reports and the poverty reduction strategy papers, as well as in the context of the enhanced focus on accountability and results-based management within the United Nations system.

34. United Nations entities continue to support countries in the collection and analysis of sex-disaggregated data to identify and address gender disparities and inequality. For example, technical cooperation activities carried out by ECLAC resulted in the integration by 12 countries in the region of gender-related indicators into their databases or official documents. The Evidence and Data for Gender Equality initiative, launched in 2011 by, inter alia, UN-Women and the Statistics Division in collaboration with Member States, the World Bank and the Organization for Economic Cooperation and Development (OECD), focuses on helping countries to build national capacity and strengthen national systems on data collection in critical areas. In 2011, ESCWA produced a guide on gender mainstreaming in the policies, programmes and activities of ministries of labour and social affairs in ESCWA member countries. The Statistical Division of ECE carried out capacity-building activities on the production and use of gender statistics for policy planning, implementation and monitoring in Europe. Women represented more than 70 per cent of participants in the workshops.

E. Coherence, coordination, and knowledge and information management

Coherence, coordination and joint action

35. The Inter-Agency Network on Women and Gender Equality continues to be a key forum for achieving more effective coordination and coherence with respect to the mainstreaming of a gender perspective throughout the United Nations system. In 2011, the Network provided a joint statement on empowering rural women to the fifty-sixth session of the Commission on the Status of Women and produced a fact sheet on rural women and the Millennium Development Goals, working through the Inter-Agency Task Force on Rural Women.

36. In 2012, in promoting partnership and collaboration outside the United Nations system, the Inter-Agency Network on Women and Gender Equality and the Network on Gender Equality of the OECD Development Assistance Committee held their biennial joint workshop, on "Food security and land rights: empowering rural

women". Discussions were focused on how to enhance coordination and complementarity among donors and multilateral partners, in order to accelerate rural women's economic empowerment while improving aid effectiveness. Key messages on the issue were agreed upon to contribute to the intergovernmental agenda for 2012, including in terms of the Commission on the Status of Women and the United Nations Conference on Sustainable Development, as well as the international dialogue on the post-2015 development framework. The Inter-Agency Network also continues to play a critical role in advancing the Secretary-General's campaign "UNiTE to End Violence against Women", including in the definition of its 2012-2013 action plan and in supporting efforts at the regional and local levels.

37. In accordance with the mandate set out in its founding resolution, UN-Women is driving more effective and efficient coordination throughout the United Nations system and building strategic partnerships to promote gender equality and women's empowerment. During 2011, the Entity leveraged and engaged with a range of inter-agency forums to promote gender equality and the empowerment of women. The development of the system-wide action plan is one of the outcomes of the work of such inter-agency forums. In addition, UN-Women, FAO, IFAD and WFP joined forces to develop an initiative to support the economic empowerment of rural women and girls. Overall, 30 new memorandums of understanding were signed between UN-Women and other United Nations agencies.

38. At the national level, the leadership of the Resident Coordinator in promoting a coherent and system-wide approach to gender mainstreaming remains critical. Gender theme groups continue to play a supportive role in these efforts, while UN-Women increasingly coordinates the work of the United Nations country teams on gender equality and the empowerment of women.

39. Currently, there are 106 joint programmes focused on gender equality and the empowerment of women, a slight increase from the 104 in place in 2010. United Nations entities recognize that joint programmes have fostered a multi-sectoral and multi-stakeholder approach to gender equality, exploring avenues and synergies for the promotion of sustainable change and providing a vehicle for the capacity development of local partners and stakeholders, leading to the longer-term sustainability of efforts.

40. In Latin America and the Caribbean, FAO, ECLAC and UN-Women have worked together to develop evidence-based policy recommendations aimed at empowering women in rural areas. In Asia, Partners for Prevention is a joint regional programme implemented by UNDP, UNFPA, UN-Women and the United Nations Volunteers Programme in Cambodia, India, Indonesia, Pakistan, Thailand, Uzbekistan and Viet Nam. UNFPA and UNICEF jointly implement the world's largest programme to accelerate the abandonment of female genital mutilation/cutting. The programme utilizes a human-rights-based approach in supporting the development and implementation of laws, policies and programmes.

41. The gender equality component of the UNAIDS strategy is being operationalized through the UNAIDS Agenda for Accelerated Country Action for Women, Girls, Gender Equality and HIV. The Agenda, which is being implemented in approximately 95 countries in partnership with civil society, has served as a catalyst for programmatic action and for raising awareness about the importance of ensuring equal access for women and girls to HIV-related services.

42. United Nations entities and Resident Coordinators report that joint programmes often lead to innovative arrangements for ensuring that gender mainstreaming delivers results. In the Bolivarian Republic of Venezuela, such programmes have allowed for the strengthening of national and local capacities to provide quality health services, with a focus on human rights, gender equality and community participation. Tajikistan has been able to set a strong gender equality agenda in the context of the poverty reduction strategy paper and the Millennium Development Goals report. In Afghanistan, the United Nations is working closely with national partners to improve the collection and analysis of sex-disaggregated data. Burundi has used the UNDP gender equality performance indicators to promote national efforts to advance the empowerment of women. The United Nations country team in Togo is supporting the Ministry of Planning in the formulation of its poverty reduction strategy paper, through an integrated approach in which gender equality is a cross-cutting objective. In Chile, the United Nations Development Assistance Framework process is aimed at the reduction of inequalities and poverty, setting specific gender equality outcomes and outputs. The United Nations country team in Bosnia and Herzegovina has advanced a joint programme on armed violence prevention, combining elements of the agendas on human security and gender-based violence. In Paraguay, the strengthening of national capacity for the production of sex-disaggregated data is one of the outcomes of the United Nations Development Assistance Framework.

Knowledge management and information-sharing

43. United Nations entities continue to use varied approaches, including electronic media, to disseminate research, guidelines and good practices on effective gender mainstreaming. For example, UNRISD uses gender as a cross-cutting tool for analysis. Its publications on the social dimensions of the green economy, the impacts of crisis on social protection and emerging research on a post-2015 agenda have a strong gender dimension. The United Nations Interregional Crime and Justice Research Institute has undertaken the first European survey on violence against women, which includes the collection of data in 2012 in 27 countries and the conduct of a survey to identify gender-specific needs in the area of addiction. The Department of Economic and Social Affairs created the category "Promoting gender-responsive delivery of public services" for the 2012 United Nations Public Service Awards, as well as a new toolkit on gender equality and e-government in Asia-Pacific countries. The United Nations Regional Centre for Peace and Disarmament in Africa has supported Member States in the areas of gender advocacy, the formulation of gender policies and national action plans on Security Council resolutions 1325 (2000) and 1820 (2008), on women and peace and security.

44. New developments with respect to the inter-agency website WomenWatch include a feature on rural women and a prototype for an online data collection application for the system-wide action plan. Furthermore, in 2011 the website disseminated more than 1,200 United Nations news items on gender equality and women's empowerment.

F. Accountability for gender equality and women's empowerment: system-wide action plan on gender equality and the empowerment of women

45. In 2006, the United Nations Chief Executives Board for Coordination (CEB) endorsed a United Nations system-wide policy on gender equality and the empowerment of women and strategy on gender mainstreaming (see CEB/2006/2 and Corr.1, annex). With a view to the implementation of the policy, it requested the development of a system-wide action plan to accelerate gender mainstreaming within the policies and programmes of the United Nations system in accordance with the Economic and Social Council agreed conclusions 1997/2. The action plan was to reflect a system-wide understanding of concepts, norms, standards and indicators, to be built on the lessons learned and achievements of each entity and to specify the actions required for the implementation of its six elements — accountability, results-based management, human and financial resources, capacity development, oversight, and knowledge management — setting out time frames and indicators, responsibilities, accountability mechanisms and resources. Its implementation would strengthen the work of the United Nations system to achieve gender equality and the empowerment of women both system-wide and within individual entities. The establishment of UN-Women revived the drive to institute a system-wide accountability framework for the system's work on gender equality and the empowerment of women. UN-Women led the development of the system-wide action plan in line with its founding resolution (resolution 64/289).

46. The system-wide action plan is one of three interconnecting mechanisms that will establish a comprehensive and coherent United Nations accountability framework for gender equality and women's empowerment. While the action plan focuses on performance, including corporate processes and institutional arrangements at the level of the individual entity, another mechanism, the United Nations country team performance indicators for gender equality and the empowerment of women, introduced in 2008, is focused on United Nations system action at the country level. The third mechanism will be focused on accountability for the contributions of the United Nations system to gender equality development results at the country and normative levels. Plans for this third phase are included in the plan.

Description of the system-wide action plan

47. The system-wide action plan is a unified accountability framework designed to simultaneously promote common understanding, enhanced coherence, systematic self-assessment and a steady targeted and progressive approach to which United Nations system entities are to adhere in their work on gender equality and the empowerment of women at the corporate level. It follows a scorecard approach and establishes requirements, based on intergovernmental mandates for gender mainstreaming, that United Nations entities are expected to meet.

48. The system-wide action plan draws on the findings and applies the recommendations of a number of recent evaluations, which found that senior managers need clear guidelines as to what they are accountable for, indicators towards which to strive, and adequate resources and capacity on the part of their entities, in order to be successful leaders on gender equality and women's empowerment. The plan's accountability framework supports this by providing for a

common understanding of, and setting out minimum requirements and guidance for, the achievement of gender equality and women's empowerment. This in turn will facilitate an analysis of strengths and weaknesses across the United Nations system in the six elements noted above, and identify the resources and capacity needed to build on strengths and fill gaps. Reporting by United Nations entities under the action plan will simultaneously provide both an overview of the state of the work on gender carried out in the entity and a guide indicating the directions in which entities might progress. It will facilitate accountability, as the United Nations system will, for the first time, gain a comprehensive overview using common measures of performance to promote gender equality and women's empowerment, including through gender mainstreaming.

49. The action plan includes a set of 15 system-wide performance indicators, embedded within a reporting framework that includes timelines, measures of accountability and budgets. The entities of the United Nations system will be assessed through performance indicators that employ a five-point rating system showing whether the entity is exceeding, meeting or falling short of requirements to promote gender equality and the empowerment of women, including through gender mainstreaming.

50. In accordance with the 2006 CEB policy, the performance indicators of the system-wide action plan include both substantive and human resources components. Substantive elements include strategic planning; programme review; evaluation; monitoring and reporting; and knowledge generation and management. The human resources components comprise internal functions such as staff performance appraisal, compacts and any other accountability mechanisms for senior managers, staff capacity development and the equal representation of women.

51. The performance indicators are supported by a set of technical notes setting out, inter alia, the intergovernmental mandate for each performance indicator, how the performance indicator should be used, and current examples of use and good practice across the United Nations system. The technical notes will serve as a "living document" that will be periodically updated, in particular with regard to good practice.

Development process

52. The process of development of the system-wide action plan was organized around two phases during which consultations, facilitated by UN-Women, engaged 51 entities, United Nations secretariat departments and offices, and inter-agency coordination bodies, often involving multiple consultations with each entity. In the first phase, in-person consultations were held in New York in July 2011, in Geneva in September 2011, and with the regional commissions and entities outside North America and Europe on a virtual basis in October and November. Consultations were tailored to specific entities, including: individual departments and offices throughout the Secretariat; specialized agencies and inter-agency bodies; the United Nations Evaluation Group; the representatives of internal audit services of the United Nations organizations; and the Joint Inspection Unit.

53. The first phase of the system-wide action plan yielded a draft framework ready for testing by pilot entities. The second phase, implemented between November 2011 and February 2012, comprised the testing of the plan for feasibility and viability by seven pilot entities constituting a representative sample of the United

Nations system (the International Atomic Energy Agency, OHCHR, ESCWA, UNDP, UNFPA, UNICEF and UNAIDS) and by the International Organization for Migration. The pilot exercise, consisting of consultations within and across the entities, produced an outcome that validated the action plan as a sound and viable instrument that was also broad and basic enough to encompass all entities despite the diversity of their mandates. It also emerged as a coherent and manageable tool for accountability and reporting, with refined indicators that increased its applicability.

54. The consistency and depth of the consultative process has led to the approval of an action plan that United Nations entities feel assured will meaningfully contribute to the revitalization of the work of the United Nations system on gender equality and the empowerment of women.

Roll-out

55. A structured roll-out of the action plan through December 2012 will precede reporting in 2013. The roll-out is critical to the plan's sustainability and success, and it will require the continued engagement of all entities, including adequately resourced technical support from UN-Women.

56. During the roll-out, UN-Women will provide technical support, tailored to the needs of the different entities, and in support of the establishment of communities of practice and repositories of knowledge in different performance areas. Other United Nations entities will also provide support in their respective areas of strength and expertise.

57. In addition, outreach will be provided to the specialized agencies, including those with a predominantly technical focus, which may face greater challenges in applying the action plan than other entities of the United Nations system. To plan for this eventuality, particular efforts have been made to engage with the specialized entities during the consultations on the plan. This dialogue will continue during the roll-out. Tailored support will be developed for the specialized entities.

58. UN-Women will also promote synergies for the advancement of the action plan and will coordinate the activities of the common system in meeting the performance indicators. Networks will be set up to cover the different geographic regions.

59. A peer review mechanism will be established under which entities with similar mandates will exchange visits to ensure accurate reporting on the action plan and to share experience on good practices and challenges.

60. In the United Nations Secretariat the implementation of the action plan will be linked to work on accountability, results-based management and change management.

III. The role of UN-Women in leading, coordinating and promoting the accountability of the United Nations system

61. The Economic and Social Council, in its resolution 2011/6, called upon UN-Women, in accordance with General Assembly resolution 64/289, to fully assume its role of leading, coordinating and promoting the accountability of the

United Nations system in its work on gender equality and the empowerment of women.

62. In carrying out its mandate, the strategic approaches adopted by UN-Women include: promotion of joint action and inter-agency collaboration; strengthening the leadership and advancing the work of United Nations country teams and gender theme groups; supporting gender mainstreaming through technical cooperation with United Nations agencies; provision of knowledge products and capacity development; advocating and monitoring progress towards gender balance and the status of women in the United Nations system; and facilitating the establishment and use of accountability frameworks.

63. During 2011, UN-Women focused on the advancement of more effective and efficient coordination and the building of strategic partnerships within the United Nations system in order to promote gender equality and women's empowerment. The system-wide and inter-agency role of UN-Women is grounded in the intergovernmental decision to accord it a leadership position with respect to the work of the United Nations system on gender equality and the empowerment of women. UN-Women also engaged with a range of inter-agency forums to promote gender equality and women's empowerment, contributing to the development of strong positions on gender equality for the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, and the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul, Turkey.

64. At country level, where UN-Women has a strong presence, it has taken on a leadership role in coordinating the chairing or co-chairing of gender theme groups in 45 countries, and it has contributed to the United Nations Development Assistance Frameworks of 20 States. The Entity has worked closely with and has enjoyed strong and valued support from the country teams and resident coordinators, and it participates in joint programmes with partner agencies.

65. UN-Women has promoted coherence in the system-wide response to national priorities on gender equality and stronger accountability of United Nations country teams through its presence in all eight "Delivering as one" pilots, and, increasingly, in "self-starter" countries. Initial experience shows a marked improvement in the focus on gender equality in the pilots, including the greater involvement of United Nations agencies and United Nations country teams.

66. In supporting inter-agency coordination in gender mainstreaming, the Entity has launched a community of practice aimed at knowledge-sharing and capacity-building on gender issues. In collaboration with the Task Team on Gender Equality of the United Nations Development Group, UN-Women also started working on a roster of gender experts for the use of the United Nations country teams and other entities.

67. In order to provide an overview of the efforts of the entities of the United Nations system to institutionalize gender into their respective areas of work, UN-Women has created two system-wide repositories containing the specific policies, strategies and action plans of the individual entities and their online gender mainstreaming capacity-development tools and resources. The repositories, which include a large compilation of resources developed since 2000, are designed as evolving, open-content management systems, providing access to new United Nations gender mainstreaming policy documents online.

IV. Existing gaps and challenges

68. Despite a number of advances in the elaboration of institutional gender equality policies and strategies, implementation remains uneven, and evaluation of their impact in terms of gender equality results and outcomes continues to present a challenge. United Nations entities continue to lack mechanisms that produce comparable data in tracking the allocation and expenditure of resources for gender equality and the empowerment of women. Accurate reporting at the system-wide level continues to be challenged by the variety of tools and the different financial systems in place.

69. United Nations entities have noted remaining gaps and challenges in incorporating gender into results-based management, including the United Nations Development Assistance Framework process. The lack of concrete tools for gender mainstreaming and of a common vision on how to mainstream a gender perspective into the whole range of activities of the United Nations system continue to hinder further progress. In addition, entities reported that they were using the United Nations country team performance indicators for gender equality although there is still a lack of follow-up on assessment, results and recommendations.

70. A number of gaps continue to challenge United Nations entities in relation to their internal oversight functions with regard to gender equality work. The lack of clear terms of reference, including agreement on sample sizes and sources of supportive data and alignment with Organization-wide evaluation policies, deter effective evaluation. A lesson learned is that monitoring results and evaluation findings must be discussed and interpreted with staff, management and the governing bodies in order to develop appropriate responses.

71. Entities stressed the need for a standard gender assessment tool to guide a robust assessment of the planning and budgeting of national programming, which, while capturing lessons learned, would also support countries in leveraging and mobilizing resources for gender equality.

72. While considerable efforts have been made with respect to the collection, analysis and use of sex and age-disaggregated data and information, the lack of such data, or its unreliability, continue to pose challenges. After data analysis has been conducted, it is not always utilized or translated into policy and/or programmatic actions or evidence-based policy formulation. United Nations entities reported on a lack of systematic sex-disaggregated data in technical areas such as trade, economic development and infrastructure. In addition, in some sensitive gender-related areas (gender-based violence, sexual violence and related harmful practices), the collection and use of data has been constrained by cultural norms and values.

73. There are promising developments in the area of capacity development, in particular in cases where programmes have been informed by a well-formulated needs assessment, developed with participants and put in the context of a longer-term strategy. Nevertheless, entities also reported the lack of follow-up activities in the form of "learning-by-doing" coaching in collaboration with United Nations entities, in order to ensure the effective long-term implementation of the gender mainstreaming strategy. In addition, entities lack a concrete framework, including: quality standards, methodologies and accountability mechanisms to measure staff performance; incentives for organizational learning for gender equality; and an adequate budget.

74. The underresourcing of gender equality programmes remains a challenge, in particular with regard to implementation at the country level. Although the creation of UN-Women was intended to address the underresourcing gap, financial contributions to the Entity, while growing, remain far below target. Unless sufficient resources are both allocated and earmarked within the budgets of United Nations entities for the financing of gender expertise and gender-sensitive approaches, the achievement of meaningful results will remain a challenge.

V. Conclusions and recommendations

75. The present report indicates that most United Nations entities have advanced and contributed to the implementation of Economic and Social Council resolution 2011/6. Several entities have reported progress, including the incorporation of criteria related to gender equality and women's empowerment into their overall accountability frameworks, monitoring, evaluations, oversight and reporting mechanisms, including performance indicators and benchmarks to measure progress. During the reporting period, and in line with the mandate of UN-Women to lead, coordinate and promote accountability in the work of the United Nations system on gender equality, the entities agreed on the system-wide action plan as a unified accountability framework that promotes common understanding, enhanced coherence and systematic self-assessment of their gender equality work. The challenge now is its implementation.

76. Other areas of progress include the promotion of coherent and harmonized policies and strategies, the provision of mainstreaming tools, enhanced capacity development and the creation of knowledge-management networks and databases. The entities have also advanced the development of unified methodologies for measuring progress and are increasingly seeking to form partnerships to achieve gender equality and women's empowerment.

77. The entities have worked collaboratively with UN-Women to bring gender equality issues into global and national dialogues. At the global level, and through their participation in the work of the United Nations country teams, they are active in strengthening the support of the United Nations system in the area of gender equality and women's empowerment, enhancing its effectiveness and coherence.

78. Despite important progress, much more needs to be done. In order to guide the work of the United Nations system in addressing the gaps and challenges outlined above, the Economic and Social Council may wish to call upon the United Nations system, including the specialized agencies, funds and programmes, to:

(a) Continue to work to better align gender equality programming with national priorities, with the aim of mainstreaming a gender perspective into legislation, policies and programmes;

(b) Promote a facilitating and evolving environment for gender mainstreaming at the organizational level, and ensure that members of the resident coordinator system at the country level dedicate adequate financial and human resources to coordinated and joint programming on gender equality;

(c) Strengthen the coordination of gender-responsive operational activities at the country level, in the context of the resident coordinator system, in partnership with other entities and national partners;

(d) Promote accountability for gender equality results, including in evaluations conducted by the United Nations country teams, thus ensuring the application of the gender-related norms and standards of the United Nations evaluation group;

(e) Ensure the full and effective implementation of the system-wide action plan and the systematic use of monitoring and reporting mechanisms, including for United Nations country teams and in the evaluation of individual staff performance;

(f) Promote the use of gender markers that produce data comparable across the United Nations system and integrate them into the overall accountability frameworks of the entities of the common system in order to attain more coherent, representative and effective financial tracking and monitoring, including undertaking gender-responsive budget planning, fund allocation and revenue raising and reporting on gender equality results;

(g) Secure technical expertise for gender equality in programme planning and implementation;

(h) Encourage the United Nations country teams to use accountability mechanisms in their work at the country level, including through the use of their performance indicators, gender scorecards and gender audits;

(i) Provide ongoing capacity development on gender mainstreaming for resident coordinators, United Nations country teams, gender theme groups and other staff in order to ensure that they are better able to identify and seize strategic opportunities for enhanced coordination and alignment of programming with national priorities on gender equality and women's empowerment;

(j) Draw on the gender expertise available within the United Nations system, specifically at UN-Women, to assist in the United Nations Development Assistance Framework process and other development programming frameworks in order to ensure that gender dimensions are systematically addressed;

(k) Call on the United Nations entities to regularly and systematically collect, use and disseminate data disaggregated by sex and age, support the preparation of corporate and country level documents, for example the strategic and programme frameworks, including corporate gender strategies and United Nations Development Assistance Frameworks; such data could guide country programming investments and indicators to measure progress and impact, including more systematic attention to capacity development in gender statistics.

79. In order to better assess change and the impact of gender mainstreaming over time, the Economic and Social Council may wish to request the Secretary-General to submit future reports to it on a biennial basis, starting at the Council's substantive session in 2014.

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Implementation of and follow-up to major United Nations conferences and summits: follow-up to the International Conference on Financing for Development

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 12 and 13 March 2012)

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) was held in New York on 12 and 13 March 2012. The overall theme of the meeting was "Coherence, coordination and cooperation in the context of financing for development". The meeting featured an address by the Secretary-General and statements on behalf of the Trade and Development Board of UNCTAD, the joint Development Committee of the World Bank and the International Monetary Fund (IMF), the International Monetary and Financial Committee of IMF, and the World Trade Organization (WTO).

2. The meeting was organized around two informal thematic debates on the following themes: (a) "Promoting sustained, inclusive and equitable economic growth, job creation, productive investment and trade" and (b) "Financing of sustainable development".

3. Each debate included initial presentations by senior staff of the World Bank, UNCTAD, WTO and the Department of Economic and Social Affairs of the United Nations Secretariat on the selected theme, followed by an interactive discussion. The

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meeting had before it a note by the Secretary-General (E/2012/7), which provided background information and suggested possible questions under the two themes.

4. The meeting was preceded by consultations within the Economic and Social Council and between its President and other members of its Bureau and the management of the Bretton Woods institutions, WTO and UNCTAD, and by the preparatory meeting of the members of the Bureau with members of the Executive Board of the World Bank, and the videoconference with members of the Executive Board of IMF. In the course of those consultations and meetings, the agenda and the format of the special high-level meeting were discussed and agreed upon.

5. A significant number of Executive and Alternate Directors of the Boards of the World Bank and IMF participated in the high-level meeting. Also participating were high-level governmental officials in the areas of finance, foreign affairs and development cooperation, as well as senior staff of organizations of the United Nations system and other international organizations. Representatives of civil society and the business sector also participated actively in the two thematic debates.[1]

II. Opening of the meeting: statements on behalf of intergovernmental bodies

6. The opening of the meeting featured statements by the President of the Economic and Social Council, Miloš Koterec (Slovakia); the President of the General Assembly, Nassir Abdulaziz Al-Nasser (delivered by the Chef de Cabinet of the President of the Assembly, Mutlaq Al-Qahtani); the President of the Trade and Development Board of UNCTAD, Anthony Mothae Maruping (Lesotho); the Secretary of the Board and Acting Secretary of the Development Committee, Jorge Familiar Calderón; the Secretary of IMF and Secretary of the International Monetary and Financial Committee, Jinhai Lin; and the Director of the Development Division, WTO, Shishir Priyadarshi.

7. The President of the Economic and Social Council highlighted the uncertainty facing the global economy, which called for a coordinated economic stimulus, including measures to spur job creation. While fiscal consolidation was important in the medium term, premature fiscal tightening should be avoided since it might worsen economic and employment conditions. Attention should also be given to establishing modernized, equitable and effective tax systems, enhancing the access of the poor to basic financial and non-financial services, promoting private sector development and facilitating productive investment in both physical and social infrastructure. The international community should ensure the requisite levels of technical assistance and the fulfilment of commitments made by donors regarding official development assistance (ODA). He also highlighted the need to address the external debt concerns of poorer countries and to move towards a more equitable and universal trading system.

8. The speaker underlined the need for an effective and coordinated policy response by Governments that made sustainable development the centre of national and global policies. In that connection, the Economic and Social Council system could play a pivotal coordination role. Considerable resources were needed for a

[1] The list of delegations will be issued in E/2012/INF/1.

transition to a green economy. A sizeable part of the investments would need to be made through a catalytic collaboration among the public and private sectors, multilateral institutions and the international community, including around risk mitigation, the transfer of new green technologies and capacity-building. Indeed, the private sector would be expected to provide a significant share of the resources needed to move to a green economy. However, there was a need to provide stronger incentives for private sector involvement in sustainable development activities.

9. The President of the General Assembly emphasized that both developing and developed countries were struggling with the impacts of the global financial and economic crisis while facing the defining challenge of the twenty-first century: building a sustainable future. That implied providing the means for a productive healthy life to current and future generations. The President of the Assembly proposed that a high-level thematic debate be held in May 2012 to discuss the current economic and financial developments and challenges. In addition, the thirteenth session of UNCTAD (UNCTAD XIII) would provide an opportunity for much-needed reflection on the impact of the crisis on trade and development, in particular for developing countries.

10. The United Nations Conference on Sustainable Development (Rio+20) offered a historic opportunity to catalyse a more equitable, resilient, low-carbon economy. There had been important achievements in financing for development since the Monterrey Conference and the Doha Review Conference but there was also considerable scope for even more decisive and effective action. In the wake of the world financial and economic crisis, improving global economic governance was critical for ensuring greater international financial stability. In that regard, the legitimacy of the United Nations conferred incomparable value to its discussions, negotiated agreements and operational activities.

11. The President of the Trade and Development Board of UNCTAD pointed out that the effects of the financial and economic crisis continued to have an adverse impact on developing countries, especially the least developed countries. He called for bold, coordinated and coherent approaches to address the global financial and economic problems. He also called on the Economic and Social Council to enhance its collaboration with UNCTAD, WTO and the Bretton Woods institutions, since their mandates were complementary. He noted that orthodox policy measures seemed to have been unable to elicit the expected responses from the economy. Monetary, fiscal and income policy instruments should be applied with the right mix, timing and dosage, and in a coherent manner. Effective financial supervision and regulation should be put in place.

12. According to the speaker, all forms of financing for development, namely, ODA, foreign direct investment (FDI), improved sovereign debt management, remittance flows and domestic resources, should be brought into play. Aid for Trade, in particular, should be intensified. The crisis had revived protectionist pressures that should be tamed. Moreover, the Doha Round of multilateral trade negotiations should come to its logical conclusion, since the world needed updated rules and regulations that best fitted the current and future nature of the multilateral trading system. In the build-up and aftermath of the crisis, the financial economy had continued to thrive while the job-creating real economy had languished. To understand and help to reverse these trends, UNCTAD XIII would address the theme:

"Development-centred globalization: Towards inclusive and sustainable growth and development".

13. The Vice-President and Secretary of the Board of the World Bank, speaking in his capacity as Acting Secretary of the Development Committee of the World Bank, noted the importance of enhancing cooperation with the Economic and Social Council for greater cohesion and results. He reaffirmed the World Bank's commitment to working cooperatively to achieve the Millennium Development Goals by 2015 and to supporting the poor in developing countries through the period of instability and in the long term. In that spirit, the World Bank Group had committed nearly $200 billion to developing countries over the past four years. In low-income countries, the World Bank had been working on building human safety net programmes to shield the most vulnerable from downturns. The *Global Monitoring Report 2012: Food Prices, Nutrition and the Millennium Development Goals* analysed the impacts of food prices on several Goals, both in the short and long terms, and reviewed policy responses, including domestic social safety nets, nutritional programmes, agricultural policies, regional trade policies and support by the international community.

14. The upcoming Development Committee meeting would be held under the overarching theme of poverty reduction and economic growth in the face of global economic challenges. The speaker also highlighted the importance of the private sector in advancing job creation and economic development. The private sector drove job creation, productivity, innovation and the accumulation of wealth. It was those jobs, and the fiscal resources derived from the formalized private sector activity, that provided the foundation for the bulk of poverty alleviation. The World Bank Group as a whole could help to leverage the private sector to advance development through a stronger and expanded partnership among the World Bank Group institutions, their member Governments and the private sector.

15. The Secretary of the International Monetary and Financial Committee outlined key developments and reforms over the past year with regard to the following four areas: financial support to member countries; policy analysis and advice; technical assistance; and governance reforms. The IMF work agenda was aimed at developing and coordinating solutions to global challenges and covered many interrelated areas, such as multilateral surveillance, the global financial safety net, supporting low-income countries, strengthening the international monetary system, and further governance reform. Important reports had been released in 2011 on global spillovers, multilateral surveillance and the vulnerability of low-income countries. The debt sustainability framework had also been revised and IMF staff had been supporting the efforts of the Group of Twenty (G-20) to sustain international economic cooperation through the G-20 mutual assessment process. Nevertheless, much remained to be done.

16. IMF would continue to enhance the global financial safety net through new resources and had reviewed such lending instruments as the flexible credit line, the precautionary and liquidity line and the rapid financing instrument. It would also continue supporting low-income countries and strengthening the long-term stability of the international monetary system, covering gaps in analysis of cross-country spillovers, risk assessments, financial and external stability and uneven traction with country authorities. Governance reform would also continue. The forthcoming

meeting of the International Monetary and Financial Committee would provide an opportunity to redouble efforts to tackle those global challenges.

17. The Director of the WTO Development Division emphasized that the special high-level meeting could make a contribution to the elaboration of the post-2015 global development agenda. That agenda must include sustainable, inclusive and equitable economic growth as one of its key elements. Trade remained one of the most important engines of national, regional and global growth. However, the most recent WTO report on G-20 trade measures noted that trade protectionism was gaining ground in some parts of the world as a political reaction to current local economic difficulties. He stated that protectionism would hurt global growth and perpetuate uncompetitive industries. There was a need for coordinated action to address the structural problems that underpinned the persistent unemployment, static growth and unstable financial markets.

18. The international community must come together to ensure that all countries, including the weaker developing countries, could benefit from trade. In that context, Aid for Trade continued to make a crucial contribution. Coherence had to be strengthened between Aid for Trade and other sectoral policies in which trade was an important component, such as food security, intellectual property rights, regional integration and climate change. In the long run, the challenge ahead of WTO member States was to conclude the Doha Development Round. To that end, it was necessary to conduct a political assessment of the right balance between trade-related rights and commitments of countries at different levels of development across the Doha agenda. In the meantime, the international community must deliver on areas where convergence could be reached, such as trade facilitation and issues relating to least developed countries. The collective endeavour was to ensure that the year 2012 marked a step forward towards that goal.

III. Address by the Secretary-General

19. The Secretary-General emphasized that declining prospects for economic growth, weak global labour markets and environmental degradation called for decisive action to invest in people and green technology. Promoting decent jobs with decent incomes would boost purchasing power and global demand. In particular, small and medium enterprises were responsible for most employment and income generation opportunities. ODA continued to be of critical importance in many poor developing countries, while greater attention needed to be given to the principles of responsible borrowing and lending. To move forward, the international community would need to address the building blocks of sustainable development, from food and nutrition security to sustainable energy for all and universal access to safe drinking water and sanitation.

20. Investing in people and clean technologies could foster job creation and finance sustainable development. To provide resources at the scale needed, a mix of public and private finance was needed. Moreover, measures at the international level to scale up financing for sustainable development should facilitate free or low-cost access to technology. The Secretary-General also highlighted the need for progress on sustainable energy. His "Sustainable Energy for All" initiative set three clear targets for 2030: ensure universal access to modern energy services; double the rate of improvement in energy efficiency; and double the share of renewable energy in

the global energy mix. He also called for climate change mitigation and adaptation action on the ground, which would set public and private funds on a trajectory to reach the agreed $100 billion by 2020.

IV. Thematic debate I: Promoting sustained, inclusive and equitable economic growth, job creation, productive investment and trade

21. The first thematic debate featured presentations by Martin Rama, Director and Lead Author, *World Development Report 2013: Jobs*, World Bank; Heiner Flassbeck, Director, Division on Globalization and Development Strategies, UNCTAD; Jomo Kwame Sundaram, Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs of the Secretariat; Shishir Priyadarshi, Director, Development Division, WTO; and Robert Vos, Director, Development Policy and Analysis Division, Department of Economic and Social Affairs.

22. Mr. Rama outlined the key focus, preparatory process and expected outcomes of the World Bank's upcoming flagship publication, *World Development Report 2013: Jobs*. The speaker underlined that recent world events, including the global economic crisis, had highlighted that jobs were at the centre of development, through their impacts on living standards, productivity and social cohesion. Rethinking development policies through the jobs lens helped to address the difficult questions faced by developing countries. The report would take into account that some jobs did more for development than others, especially those that empowered women. Mr. Rama argued that development policies should address the market imperfections and institutional failures that had led to too few good jobs from the development perspective.

23. With regard to the preparatory process of the report, Mr. Rama emphasized the importance of consultations with countries and international organizations (such as the International Labour Organization (ILO), IMF, the International Trade Union Confederation and the Organization for Economic Cooperation and Development (OECD)). The report would also draw on country case studies led by independent local teams, as well as a survey of workers around the world, regarding all dimensions of jobs, values and aspirations. The preparation process would, moreover, include inputs from an advisory panel, comprising experts and policymakers, and from academic research. According to Mr. Rama, the expected outcomes from the report would include a framework for analysis that, without focusing exclusively on wage employment and labour markets, would provide a practical typology of job challenges around the world, thereby helping practitioners to identify priorities. The report would also establish a data agenda, building on various surveys, and a policy agenda that would provide answers to a number of complex questions.

24. Mr. Flassbeck focused his presentation on "Inclusion and participation: a new agenda for the globalized economy". He pointed out that, in most developed countries, family income expectations had recently hit an unprecedented low. He further emphasized that employment cycles were closely associated with output growth cycles and that data for the past three decades had showed a strong positive correlation between investment in fixed capital and employment creation in most countries. He therefore concluded that growth and investment, rather than wages, were the more critical drivers of employment. Mr. Flassbeck emphasized the benefits

of more heterodox macroeconomic policies for job creation. The past several decades had showed that expansionary monetary policies such as those adopted in East and South-East Asian countries encouraged domestic demand more effectively than policies that sought to prevent inflation by keeping real interest rates consistently higher than growth rates (such as those adopted in parts of Latin America and Africa).

25. Mr. Flassbeck challenged the common notion that employment levels determined inflation. He argued that there was a close empirical relationship between unit labour costs and inflation. According to the speaker, annual growth rates of unit labour costs and inflation rates had followed each other during the past four decades in all the countries of the world. At the same time, data showed that the share of wages in national income in a number of countries had been on a declining trend. However, if wages grew at a slower rate than productivity, the supply potential in the economy might end up growing faster than domestic demand, thereby discouraging productive investment and job creation. Over the past 50 years, within the euro zone, the divergence of unit labour costs had opened a huge gap of competitiveness. On the one hand, that was owing to a tendency to keep labour costs as low as possible, with reliance on external demand in such countries as Germany. On the other hand, wage growth in Southern Europe was above the growth of productivity and the euro zone inflation target. The speaker emphasized that, with a reasonable wage policy and balanced foreign trade, countries such as Germany would be better off.

26. Mr. Jomo asserted that fiscal consolidation had impeded and continued to threaten robust and sustained economic growth and employment prospects. He argued that the harsh austerity measures implemented in parts of the world had led to lower demand, for instance by slashing wages and cutting public investment, and had adversely affected the economic recovery. While such efforts had often been justified as having been necessary to boost investor confidence, it was unlikely that depressed demand and greater instability could inspire investors. The United Nations had warned of the pitfalls of the severe austerity measures currently being pursued. According to the speaker, Governments needed to boost domestic demand in the short run by investing in infrastructure, renewable energy, food production, health, education and social protection. Those public investments would induce rather than crowd out productive private investments. Mr. Jomo called for a Marshall Plan for our times to respond to the challenges of our age. He emphasized the importance of resisting protectionism and addressing long-term structural issues. In many countries, Mr. Jomo pointed out, improving tax administration and reforming tax structures was crucial to enhance domestic resource mobilization and fiscal space. He emphasized that international tax cooperation should be strengthened.

27. Mr. Jomo emphasized that a universal social protection floor was an important medium-term priority and that such a mechanism might serve as a crucial basis of trust between the governed and their Governments. Trust between workers and employers was also critical. In that regard, he argued that the drastic erosions of real wages and labour standards would hinder the attainment of a strong sustained and inclusive recovery. He emphasized that trade offered an opportunity to grow through exports. However, reaping the benefits of trade required productivity growth and investment in infrastructure, education, skills, science and technology. In addition, assistance was necessary for developing countries, especially the least developed countries, to improve their productive capacity and access to markets. Mr. Jomo

called for a new social compact within and among nations to rebuild the trust and cooperation needed for sustained and inclusive growth and productive job creation. He argued that, in view of the modest progress made in recent years, such a spirit of cooperation was more essential than ever.

28. Referring to the 2011 report of the Millennium Development Goal Gap Task Force entitled *The Global Partnership for Development: Time to Deliver*, Mr. Priyadarshi emphasized that the multilateral trading system had helped to restrain protectionism in the midst of the global financial and economic crisis. The report urged an early conclusion of a development-oriented Doha Round and mentioned that any early harvest would need to include progress in providing full duty-free and quota-free market access for the least developed countries. The report also highlighted the role of Aid for Trade in supporting supply-side capacity, and stressed the need to boost the incomes, productivity and market access of farmers in developing countries. The speaker emphasized that those issues would remain an important part of the global development agenda in the future.

29. Mr. Priyadarshi underlined the need to implement an agenda that linked growth to environmental sustainability. Addressing that challenge required strengthening development partnerships and global rules not only on trade, but also on climate change, food security and natural resources. The multilateral trading system would need to continue working on a range of issues, including reducing the remaining barriers to trade, making the rules of trade more equitable and sustainable, monitoring protectionism, and building trade capacity and trade-related infrastructure. Mr. Priyadarshi emphasized that continued and sustained economic growth had been one of the main forces in reducing poverty in developing countries in the past several decades. Consequently, any development agenda would have to include economic growth as a central pillar of its strategy. In view of the emergence of global value chains, trade would increasingly be viewed as a multidimensional tool of economic growth, which involved policy areas such as intellectual property, banking and investment regulations, and procurement.

30. In his presentation, Mr. Vos emphasized that the world economy was currently at a critical juncture. There was the risk of a double-dip recession in major developed economies. In addition, growth in emerging economies was moderating. Persistent high unemployment and the contagion of the sovereign debt crisis, combined with fragility in the banking sector, were major downside risks. Mr. Vos characterized the persistent global jobs crisis as the Achilles heel of recovery. In developed countries, there was continuing high unemployment, rising long-term unemployment and high youth unemployment. According to him, employment levels in developing countries had recovered, but employment rates remained below pre-crisis levels. In addition, developing countries were facing rising vulnerable employment and long-term unemployment as well as high youth unemployment and skill mismatches in labour markets. Moreover, a growing global labour force was increasing the jobs deficit worldwide.

31. Mr. Vos emphasized that, in order to deal with the global jobs crisis, policy responses should avoid premature fiscal austerity and provide more short-term stimulus. Policy measures required more forceful international coordination. They should focus on job creation and investments in sustainable development, including through fiscal incentives for job creation, investment in infrastructure related to renewable energy, sustainable agriculture and economic diversification, and

enhanced market access and adequate development finance for low-income countries. Implementing such policies would enhance both economic growth and employment.

32. During the discussion that followed, many speakers stressed that job creation was at the heart of development and poverty eradication. There was an urgent need to rethink economic and development policies through the jobs lens. In that regard, some participants pointed out that the social impact of employment also deserved consideration. For instance, under certain circumstances, job creation might enhance the economic and financial inclusion of women and help to reduce crime. Moreover, it was argued that the definition of employment should not include jobs that contravened the human rights of workers.

33. Several participants emphasized the need for effective policies at the national level to promote sustained and inclusive growth and employment. Such policies should include investment in social and physical infrastructure, education, health and social protection. The importance of sound fiscal and monetary policies was also stressed, as was the need for social inclusion. A number of delegations also argued that country-specific and regional circumstances should be taken into account when devising appropriate policies.

34. Small and medium enterprises were identified by many speakers as an important driver of employment. It was pointed out that, in many countries, small and medium enterprises had been hit hard by the financial and economic crisis and urgently required assistance. According to some participants, such enterprises would benefit from policies to improve the legal and regulatory environment of businesses, measures to enhance the provision of trade finance, and efforts to strengthen their access to financial services.

35. Some speakers emphasized the importance of an enabling international environment. The importance of having economic and financial stability at the global level was stressed. In that regard, several delegations pointed to the need to further reform and strengthen the international financial and monetary system, including such areas as financial regulation and multilateral surveillance. The need to further reform the major international financial institutions and to strengthen the capacities of regional financial institutions was emphasized.

36. Some participants stressed the need for enhanced coordination of international economic policies in support of growth and employment. In that respect, it was argued that premature fiscal austerity would be counterproductive and should be avoided. Some delegations also stressed the need for enhanced engagement among the United Nations, the Bretton Woods institutions, WTO and the G-20.

37. Some speakers emphasized that FDI was a vital complement to national development efforts and contributed to the financing of long-term economic growth. However, in order to maximize its development impact, FDI needed to be coupled with favourable domestic policies and local economic opportunities.

38. Several participants stressed the importance of having a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. A timely completion of the Doha Round of multilateral trade negotiations would support growth in global trade and new market access opportunities for developing countries. Aid for Trade should help to enhance supply-side capacities and trade-related infrastructure, particularly in the least developed countries. It was also

important to implement the decision to grant duty-free and quota-free market access for all products from least developed countries. There were numerous calls on countries to refrain from protectionist measures.

39. It was pointed out that many larger donors remained below the ODA target of 0.7 per cent of gross national income. One speaker emphasized that the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, was a key event in strengthening the effectiveness of development cooperation. In addition, the potential of innovative financing mechanisms to complement traditional ODA was underlined.

40. Amid sovereign debt and banking risks in some advanced economies, a number of participants emphasized the need for an international debt work-out mechanism. In that regard, a speaker argued in favour of revisiting an earlier proposal for a sovereign debt restructuring mechanism made by the former First Deputy Managing Director of IMF, Anne Krueger.

41. Some participants highlighted the role of effective tax systems in generating revenues to invest in growth and jobs. In that regard, there was a need to strengthen international tax cooperation, including by strengthening of the Committee of Experts on International Cooperation in Tax Matters.

42. The role of the private sector in financing for development was emphasized, including through public-private partnerships. A speaker pointed out that such partnerships could play an important part in promoting investments in such critical areas as highways, railroads, telecommunications and information technology. The public and private sectors could also effectively collaborate in enhancing technology, research and vocational skills.

43. Some delegations called for a strengthening of the financing for development follow-up process, which should be more results-based and should include policy reviews and performance benchmarks at the country level. To that end, there was a call for setting up an effective decision-making mechanism on financing for development.

V. Thematic debate II: Financing of sustainable development

44. The second thematic debate featured presentations by Rachel Kyte, Vice-President, Sustainable Development Network, World Bank; Marianne Fay, Chief Economist for Sustainable Development and lead author of the *World Bank Green Growth Report*; David O'Connor, Chief, Policy Analysis and Network Branch, Division for Sustainable Development, Department of Economic and Social Affairs; and Michael Clark, Interregional Adviser, UNCTAD.

45. Ms. Kyte highlighted that 20 years after the Rio Conference, the world was a different place. Countries had made substantial progress against extreme poverty but faced greater environmental challenges through expanded global consumption. Rio+20 must embrace the opportunity to rise to the challenge for a transformation towards a sustainable future for all. The speaker delineated a framework for action in the run-up to Rio+20. States should strive for agreements on development strategies consistent with the concept of green and more inclusive growth. She also called for the implementation of a global methodology and process for incorporating natural capital and ecosystems into national accounts by 2030 at the latest.

Moreover, Rio+20 should produce a discrete set of sustainable development goals by 2030 to complement the Millennium Development Goals, for example, for sanitation, water, land and oceans, reinforcing the agreements on biodiversity reached at the 10th meeting of the Conference of the Parties for the Convention on Biological Diversity, held in Nagoya, Japan.

46. Ms. Kyte suggested that the transformation should rely on green growth and priority actions in three areas: (a) "urban scape"; (b) "land scape"; and (c) "ocean scape". Urban scape referred to tremendous win-win opportunities for improving energy efficiency, reducing greenhouse gas emissions, improving air and water quality, improving social inclusion and tackling urban poverty. Land scape referred to the nexus among food, water and energy. Efforts should steward water while achieving a triple win of increasing agricultural yields, increasing livelihoods and mitigating climate change. Ocean scape referred to the importance of oceans for food, jobs and pharmaceutical resources and the fact that oceans were the planet's main carbon sink. The formation of the new Global Partnership for Oceans would confront widely documented problems of over-fishing, marine degradation and habitat loss and help countries to develop and implement improved ocean management. The speaker further highlighted the importance of the public sector in setting the playing field for private sector-led development and to encourage best practices for sustainability by the private and financial sectors.

47. Ms. Fay emphasized that green growth was not a new paradigm but aimed to operationalize sustainable development by enabling developing countries to achieve robust growth without locking themselves into unsustainable patterns. Green-growth policies should identify required actions in the next 5 to 10 years to avoid lock-in and irreversible environmental damage. World GDP had doubled over the past 25 years. While that had allowed for a massive decline in global poverty, there was a need for continued rapid and inclusive economic growth to keep up with the needs of a greater population. Green growth was required to make development sustainable. Environmental policies could be a potential source of growth and could bolster resilience and protect physical capital, strengthen labour supply and productivity, promote innovation and create new markets. The speaker highlighted the need to ensure that the poor benefited from green growth. In that connection, she emphasized that replacing fuel subsidies with better targeted safety nets would help the poor and generate enormous cost savings for Governments.

48. Ms. Fay identified policy areas with a high risk of irreversibility and excellent synergies, such as sustainable land-use planning, public urban transport and fisheries catch management. She argued that, although green growth was necessary, efficient and affordable, its implementation was challenging because of governance failures, entrenched behaviour and financing constraints. In that sense, tailored strategies to promote smart behaviour and tackle upfront financing needs were required. Smart prices and regulation policies should aim to get "prices" right but recognize political economy constraints and create alternatives to improve price elasticity. In terms of resources, she highlighted the potential of financing mechanisms that leverage resources from international financial institutions, engage private banks and local governments, and impose charges on environmental services.

49. Mr. O'Connor outlined the role of finance in achieving the transition to a green economy. He recalled that flows from current sources of finance were clearly

insufficient to meet the requirements of such a transition. Moreover, the proliferation of channels for public finance was not the most effective means of improving financial flows. He further underlined that the link between instruments and uses was potentially the weakest link in the finance supply chain. There was a delivery issue around funds coming from centralized sources to highly diffused uses. The speaker argued in favour of exploring new and innovative sources of finance for sustainable development and for acknowledging large pools of private and mixed capital waiting to be redirected. Innovative and traditional sources of finance must be complemented by clear policy signals from Governments.

50. Mr. O'Connor emphasized that risk instruments could play a critical part in leveraging private investment by subsidizing investments, employing risk mitigation tools, altering payback periods and co-investing. Potential public finance sources included currency, carbon and transport taxes. Moreover, the reduction or elimination of distortionary subsidies, for example on fossil fuels, could generate more than $400 billion (according to the International Energy Agency's estimates for 2010). The speaker also proposed enhancing the roles of development banks and aid agencies through leveraged shareholder equity and new instruments, including green earth or climate bonds. Furthermore, there were proposals to utilize a modest portion of existing special drawing rights (SDR) allocation to finance climate-related investments that could mobilize $75 billion. The extension of carbon markets and greater sustainability emphasis for sovereign wealth funds could also generate enormous resources. The wide range of existing channels that currently delivered public and private finance for sustainable development could be extended, streamlined or consolidated. Finally, financial market governance needed to be reformed to promote long-term, sustainable investment.

51. Mr. Clark presented a new approach to facilitate North-South technology-sharing. He stressed that the main impediment to cost reduction for renewable energy mechanisms was scale. However, Governments could implement the transition to green growth with a one-time, mostly self-financed $1 trillion expenditure spread out over 10 years. To that end, he proposed a firm-level, commercial approach to technology-sharing that rested on six pillars. First, commercial viability required changing the scale of the market. Developing countries needed to be brought in with different terms of access recognizing that market-making came at a cost that should be compensated. Second, the most urgent need was to lower transaction costs for both owners of environmentally sound technologies and those who wished to access them. Moreover, developing countries should not be charged the costs of access (royalties) until the technologies became commercially viable. Third, an open-ended (plurilateral) convention (under the United Nations Framework Convention on Climate Change, for climate technologies) with a minimum critical mass of participants was necessary to achieve market scale.

52. Fourth, the speaker proposed to establish, under the aegis of the United Nations, a patent pool with a capacity to raise funds to acquire licensing rights for relevant technologies and provide no-cost access until they became commercially viable. Fifth, it was important to build out national as well as regionalized infrastructures for knowledge development and experience-sharing (for example, based on the model of the Consultative Group on International Agricultural Research) related to the commercialization of these technologies. Sixth, regional and national financing capacity should be strengthened within a well-defined,

sectoral industrial development approach. Lastly, he noted that more constrained principles of eco-equity should govern international public finance. According to the speaker, the proposed approach would lead to a "win-win-win" situation. Holders of intellectual property rights would gain new large-scale markets, cost-sharing partners and new arms-length framework for intellectual property rights protection. At the same time, developing countries would receive low-cost access to technologies at the pre-commercial stage, insertion into knowledge-sharing cycles and gains in global sustainability, including an accelerated transition to carbon-free primary energy supply.

53. In the discussion that followed, many speakers emphasized that environmental damages had reached a scale at which they were threatening both economic growth prospects and progress in social areas. In that context, they emphasized that Rio+20 would provide an opportunity for renewed political commitment to sustainable development. The integration of the economic, social and environmental pillars was mentioned as the major challenge of Rio+20. Building sustainable productive capacity could be the common factor that would bring them together.

54. In general, the main sources for green-growth financing would include private investment, taxes and redirected subsidies, bond issuances, greening of existing capital, international cooperation and innovative sources. Reforming the governance of private finance and public procurement could help to enhance green investments and foster the transition to a green economy. The need for socially responsible corporate behaviour and environment-friendly corporate management was also mentioned by several participants.

55. Many speakers emphasized that the public sector should provide effective risk-mitigation or revenue-enhancing instruments to attract environmentally and socially sustainable private investment. Complementary public policies were needed so that the poor could benefit as well. The need for targeted industrial policy and technology transfer to develop renewable energy sectors was highlighted.

56. Mobilization of new, additional, stable and predictable financial resources was referred to as a priority in the preparations for Rio+20. The need to prioritize the provision of financial resources, technology transfer and capacity-building in line with national development priorities was highlighted. Many speakers emphasized that donors should deliver on their ODA commitments. Innovative sources of finance such as guarantees, financial transaction taxes, diaspora bonds, carbon taxes and air travel levies were also mentioned as potential sources of new and enhanced funds.

57. Several participants emphasized that "leapfrogging" in technological terms could facilitate the transition to green growth. In that context, it was stressed that the removal of trade barriers was a cost-effective way to gain access to technology. Several participants highlighted the importance of flexible intellectual property rights in respect of green technology deployment.

58. There were calls for a rules-based trading system that was open and non-discriminatory and in which countries desisted from protectionist policies. The importance of Aid for Trade and integration into the global economy was also mentioned. The financialization of commodity markets was further highlighted as a major disturbance and calls were made to regulate it appropriately.

59. Some speakers highlighted the particular vulnerabilities of small island developing States. There was a call to enhance their fiscal space and debt sustainability through increased access to concessional finance.

60. On several occasions, speakers emphasized the need for greater coordination of international organizations around sustainable development. Several participants highlighted the importance of sharing experiences and policy options to foster inclusive green growth. Many speakers called for greater coherence between green economy initiatives and international agreements. In particular, an agreement around non-actionable subsidies was considered a key priority.

61. Some speakers emphasized that instead of creating a new institution for sustainable development, there should be an effort among institutions to work together more effectively, with the ECOSOC playing a facilitating role.

VI. Closing of the meeting: next steps

62. In his concluding remarks, the President of the Economic and Social Council put forward the idea of setting up a small, joint working group that would explore concrete ways to further enhance collaboration and cooperation between the Council and the major institutional stakeholders in the financing for development follow-up process, in particular in the area of financing for sustainable development. One proposal was to hold more frequent meetings during the year between the Council and the other institutional stakeholders. That proposal came out of informal consultations among a group of participating United Nations Ambassadors, the Executive Directors of the World Bank and IMF and other high-level officials from the institutional stakeholders participating in the meeting.

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Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals

Report of the Secretary-General

Summary

Policies to boost productive capacities and increase the number of decent jobs are critical both in the short term, to curb the dramatic effects of a prolonged jobs crisis, and in the longer term, to make economic growth more sustainable, inclusive and equitable. In the present report, the Secretary-General examines global labour market trends, providing an assessment of progress towards meeting goals and commitments related to employment and decent work. He highlights measures and institutions that have proved effective in encouraging job and enterprise creation, in boosting skills and productive inclusion, in supporting successful labour market transitions and in ensuring that workers have adequate social protection and a fair share of earnings. The Secretary-General underlines the interlinkages between those measures and the progress towards poverty eradication and other internationally agreed development goals. He argues the need for immediate, coherent and globally coordinated macroeconomic policies to increase production, income and the number of high quality jobs, in line with the principles and objectives of the Global Jobs Pact. He also calls for distinctive initiatives to address the special labour market vulnerabilities of young women and men, to build nationally defined social protection floors for social and economic resilience, and to support a just transition to a greener economy. United Nations agencies, international institutions and donors can play an important role in assisting Governments in designing and implementing realistic and cost-effective measures in a coordinated manner, while engaging business, civil society and trade unions.

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The present report should be read in conjunction with the report of the Secretary-General on macroeconomic policies for productive capacity, employment creation, sustainable development and the achievement of the Millennium Development Goals, in the context of sustained, inclusive and equitable economic growth in pursuit of poverty eradication.

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I. Introduction

1. A prolonged jobs deficit is damaging the economic and social fabric of countries around the world. Action is urgently needed to boost productive capacities, investment and the number of decent jobs and to sustain the incomes of working families, the poor and the vulnerable. While critical for stronger economic recovery, such measures should also strengthen the foundation for reform to make growth and development more sustainable, inclusive and equitable.

2. The financial and economic crisis of 2008-2009 has exacerbated the jobs crisis. Global unemployment is estimated to have increased from 170 million in 2007 to an unprecedented high of 197 million in 2011. A decrease in labour force participation masked an even worse unemployment scenario. Many people are so discouraged they have stopped looking for work.

3. Owing to the recent slowdown in growth, the world economy is likely to create only half of the 80 million jobs needed over the next two years to reach the pre-crisis employment rates. International Labour Organization (ILO) baseline projections suggest a further increase in global unemployment, up to 200 million in 2012 (of which about 75 million would be young people and 84 million female) and 206 million in 2016. As joblessness persists, the scars it leaves on individuals, families and the cohesion of societies will deepen.

4. Unemployment is the most visible, but not the only manifestation of widespread distress in the labour market. The quality of jobs is also under threat. Underemployment and informal and casual work are expanding, and with them the risk of undermining labour standards and exposing workers to greater insecurity. Even before the crisis, there had been a rise in precarious jobs[1] owing to increased casualization and outsourcing. ILO estimates that the overall share of workers in vulnerable employment has now reached 1.53 billion, equivalent to over half (50.1 per cent) of the world's labour force. The number of women and men in vulnerable employment is estimated to have increased in 2009 by as much as 110 million compared to 2008. This precarious jobs situation is exacerbated by the uncertain nature and pace of economic recovery.[2]

5. Women are disproportionately represented in precarious work situations. Around the world, women face the risks of short hours, low pay and limited access to benefits. Precarious work is a key factor contributing to the global pay gap between men and women.

6. Precarious work shifts social risks away from employers and Governments on to individual workers and their families. These risks affect not only vulnerable workers, but also their families and society at large. Precarious work is, in short, creating greater economic inequality, insecurity and instability.

7. In many countries, real wages for working people are falling or remain stagnant despite increases in labour productivity.[3] Excluding China and adjusting for inflation, global wage growth slowed from 2.2 per cent in 2007 to only 0.7 per

[1] Precarious work refers to forms of work characterized by atypical employment contracts, limited or no social benefits or statutory entitlements, a high degree of job insecurity, uncertain job tenure, low wages and high risk of occupational injury and disease.

[2] ILO, *Global Employment Trends 2012*.

[3] ILO, *World of Work 2011*.

cent in 2009. While world averages remain slightly positive, real wages actually decreased in many countries.[4] As working families are confronted with increased hardship, they cut spending for goods and services, further depressing economic activity and business confidence.

8. It is the poor and the vulnerable that suffer the most from a faltering world economy. Overall, the families of one in every three workers in the world are living below the $2 per day poverty line. High food prices and increasing food price volatility, together with the growing intensity of climate hazards, pose additional challenges to the jobs situation. Despite progress in reducing extreme poverty in parts of Asia, the number of the working poor is expanding in several other regions, including sub-Saharan Africa, North Africa, South Asia and the Middle East. This raises doubts concerning the possibility of achieving the Millennium Development Goals in those regions. The prospects of the least developed countries for achieving Millennium Development Goal 1 on poverty reduction are especially uncertain.

9. Globally, the impact of the crisis was particularly harsh for young people. The lack of high quality job opportunities for young people in the richest economies, as well as in the poorest countries, where labour force growth is higher, is striking. In some industrialized countries, youth unemployment rates have reached 50 per cent. Joblessness, combined with vast inequalities in income and productivity within and across countries, intensifies social distress and increases illicit activity and economic migration. In the globalizing labour markets of today, as never before, poverty anywhere is a threat to prosperity everywhere.

10. International migration and remittance flows represent significant factors in the global unemployment discourse. In 2010, there were an estimated 214 million migrants, 60 per cent of whom moved to developed countries. Although flows of migrants into developed countries have been decreasing since 2008, the unemployment rates of migrants have risen more sharply than those of citizens.

11. In this uncertain global scenario, the United Nations commitment to the promotion of productive capacity, employment and decent work is as significant as ever. There is a need to reaffirm the Declaration concerning the aims and purposes of ILO (Declaration of Philadelphia), in which it is stated that labour is not a commodity.

12. The Millennium Development Goals framework recognizes that employment — if it brings adequate remuneration, income security and protection under international labour standards — is a crucial driver of sustainable, inclusive and equitable economic growth and is essential to poverty reduction. International development cooperation can make a significant contribution to national efforts to promote productive capacities, decent work and social protection floors.

13. In 2005, countries committed at the World Summit to making full and productive employment and decent work for all, including for women and young people, a central objective of national development strategies and international policies (see General Assembly resolution 60/1, para. 47). This commitment was reaffirmed at the high-level segment of the substantive session of 2006 of the Economic and Social Council and at the coordination segment of the substantive session of 2007 (see Council resolution 2007/2), as well as with the launch of the

[4] "Living with economic insecurity: women in precarious work", *ITUC Report* (March 2011).

Second Decade for the Eradication of Poverty in 2008 (see General Assembly resolution 63/230). In 2009, in the wake of the global financial and economic crisis, the Economic and Social Council welcomed the Global Jobs Pact, acknowledging that the decent work agenda provided the foundation for policy efforts to mitigate the social impacts of the crisis and boost economic recovery, and encouraged Member States to take on key elements of the Pact's policy framework in their efforts to address job growth (see Council resolution 2009/5). The 2010 Development Cooperation Forum highlighted the role of aid in bolstering the creation of employment and the eradication of poverty. Subsequently, the Istanbul Programme of Action, adopted at the Fourth United Nations Conference on the Least Developed Countries, underscored a clear commitment to increasing investment in infrastructure, agriculture and technology transfer to generate employment in least developed countries.

14. In the present report, country experiences with investment, employment and labour market policies are considered. The report provides a review of the implementation of the Global Jobs Pact by the United Nations system, as requested by the Economic and Social Council in its resolution 2011/37. In the report it is underscored that a comprehensive enabling international environment for fairer globalization plays a decisive role for sustainable growth, employment and decent work.

II. Inclusive, sustainable and equitable economic growth: the jobs nexus

15. A fair chance at a decent job is critical for the majority of individuals and their families. For households, productivity and quality of work are major determinants of life quality, affecting nutrition, health and education. For society, adequate opportunities for productive and decent work — safe and productive employment, social protection, fair treatment and respect for rights at work — guarantee inclusion and cohesion. Work is particularly important for the poor, whose labour is often their only asset and a primary route to poverty eradication.

16. However, economic policy in recent decades has emphasized short-term macroeconomic stability — defined as low inflation (usually below 5 per cent) and low budget deficits (usually below 3 per cent of gross domestic product) — assuming employment would follow and viewing labour standards and policies and regulations concerned with work quality and job security as potential hindrances to competitiveness.

17. In the aftermath of the global financial crisis, employment has re-emerged as a top political priority. However, the assumption that greater labour market flexibility will improve the gloomy job situation and stem rising unemployment levels still seems to enjoy widespread support.[5]

18. There are two key considerations that have been overlooked in the uncritical embracing of labour market flexibility. First, countries with labour-friendly

[5] See World Bank, "How should labor market policy respond to the financial crisis?" (April 2009). In a lead article, *The Economist* has pinned its hopes on a renewed commitment to a global agenda of labour market flexibility in order to cope with worldwide job losses and enact an employment-led recovery ("When Jobs Disappear", *The Economist*, 19 March 2009).

regulations seem to be associated with greater wage equality. Second, labour market flexibility runs the risk of impairing longer-term growth if the changes lead to a low-pay-low-productivity trap.

19. Therefore, efforts to create employment with rising real wages should be associated with investment in productive capacities and growth of aggregate demand. In order to accelerate employment, a combination of macroeconomic policies that foster stable patterns of investment and consumption, together with sound social and labour market policies, is required. Such policies should aim to provide equal productive opportunities for all; address social and income inequalities as obstacles to sustained economic growth and improved social outcomes; and maintain social cohesion and stability.

20. Experience with the Millennium Development Goals has demonstrated the need to go beyond a single focus on basic social services for the poorest in the fight against poverty. Countries that have made major advances — for instance in Asia and Latin America — have endeavoured to address the structural factors underlying poverty by incorporating such objectives into their economic strategies. They have combined extensive social programmes with proactive strategies to expand and diversify production. This was supported by macroeconomic policies that fostered structural change, investment and job creation, such as reducing capital flows and exchange rate volatility, providing inclusive access to finance and absorbing business cycle fluctuations.[6] The Economic and Social Council, in particular the Development Cooperation Forum, can help promote knowledge exchange, sharing of experiences and peer learning in such areas by Governments and other stakeholders.

21. Enterprise creation and the generation of opportunities for productive inclusion across all segments of the labour market are key drivers of success. As productivity increases in modern sectors, it is essential to strengthen labour market policies and institutions (for example, skills development, minimum wage and employment protection legislation) in order to ensure fair distribution of opportunities and benefits. In some countries, such as Brazil, strategies to progressively integrate all workers into a formal system of social protection, benefits and taxes, combined with transfers that supported the purchasing power of the poorest, paved the way to a gradual transition out of the informal economy. Such experiences underline the importance of an integrated development agenda centred on productive capacities, employment and decent work that takes advantage of the synergies of interrelated policy actions. The world's difficult labour market situation makes it urgent to accelerate efforts in this regard.

[6] Article IV of the Articles of Agreement of the International Monetary Fund states the objective of monetary policy as reasonable price stability to foster orderly economic growth with due regard for country-specific circumstances.

Box 1
Inclusive growth in Brazil

The recent growth pattern of Brazil is in part attributable to a reduction of informality, inequality, poverty and hunger. A combination of measures to raise minimum wages and to increase the scope and coverage of income transfers helped support the purchasing power of the lower and middle classes, reducing historically high levels of inequality. Small and medium-sized enterprises were aided by simplified business registration and lower taxation. About 1.3 million jobs are estimated to have been created or saved as a result of enhanced social transfers. Labour inspection and increased awareness of workers' rights also raised labour standards and supported the generation of decent jobs. The capacity of the domestic manufacturing sector to take advantage of increased local demand, the role of public banks, and high commodity export prices were other factors behind Brazil's strong and fast recovery.

Box 2
Employment policies in China

China's spectacular economic growth was accompanied by policy initiatives to balance the opening of the economy with domestic labour and social developments. Since 1986, the reform of the employment system in State-owned enterprises had introduced rules for recruitment, dismissal and unemployment insurance, together with re-employment schemes and social protection for laid-off workers. The Active Employment Policy of 2002 evolved from the initial concern with laid-off workers in State-owned enterprises to a comprehensive range of policies to contain unemployment and extend social protection nationwide. The main elements included re-employment funds, job placement and vocational training, incentives for business start-ups, microcredit guarantees and social insurance subsidies. Employment policies that proved effective and feasible were considered for upgrading through the enactment of the Employment Promotion Law in 2008, which set principles for the promotion of fair employment and the obligations and responsibilities of the Government with respect to full employment. The implementation mechanisms for the Employment Promotion Law helped China cushion the adverse employment effects of the global crisis and deal with the challenges of changing labour relations and the extension of social protection to a rapidly ageing population.

The global jobs challenge

22. The recent economic slowdown has exacerbated the existing global deficit of decent work. In all regions, the crisis produced a marked slowdown in the pace of employment growth. The absolute number of workers grew, but at a slower rate than the rate of increase in world population. The global employment-to-population

ratio[7] registered an unprecedented decline from 61.2 per cent in 2007 to 60.2 per cent in 2010 (from 48.9 to 47.8 per cent for females). Despite an upturn in world output, the global employment-to-population ratio remains well below its pre-crisis level and may drop again if the global economic situation deteriorates.

Table 1
Employment and labour productivity growth

	Average annual employment growth (percentage)		*Average annual growth in labour productivity (percentage)*	
	2002-2007	*2008-2011*	*2002-2007*	*2008-2011*
World	1.8	1.1	2.5	1.6
Developed economies and the European Union	1	(0.3)	1.4	0.5
Central and South-Eastern Europe (non-European Union) and Commonwealth of Independent States	1.1	0.8	6.1	1.1
East Asia	1.2	0.6	8.6	7.8
South-East Asia and the Pacific	1.8	1.9	4.1	2.6
South Asia	2.2	1	5.4	6.1
Latin America and the Caribbean	2.5	1.9	1.4	1
Middle East	4.5	3.2	0.9	0.9
North Africa	3.4	2	1.4	1.8
Sub-Saharan Africa	3.1	2.8	2.5	1.5

Note: Figures for 2011 are preliminary estimates.
Source: ILO, *Global Employment Trends 2012*.

23. The impact of the economic slowdown on employment was particularly strong in developed economies, where job growth turned negative. All developing regions maintained positive employment growth, but the pace dropped significantly compared to the pre-crisis period. Worldwide, labour productivity growth (output per worker) decelerated in 2008-2011 relative to the average for 2002-2007 (see table 1). This means that the decline in employment growth cannot be attributed to faster productivity growth. Rather, both are the results of declines in aggregate demand.

[7] The number of the employed over the working age population (aged 15 and above).

Table 2
Labour productivity (output per worker) as a percentage of productivity levels in developed economies, by region, in 1991 and 2011

	1991	*2011*
	(Percentage)	
Middle East	64	53
Central and South-Eastern Europe (non-European Union) and Commonwealth of Independent States	38	35
Latin America and the Caribbean	37	32
North Africa	27	25
East Asia	6	20
South-East Asia and the Pacific	10	14
South Asia	6	11
Sub-Saharan Africa	9	8

Source: ILO, *Trends Econometric Models* (October 2011); World Bank, *World Development Indicators 2011*.

24. In most developing regions, a modern sector with relatively high productivity and high quality employment coexists with a sluggish traditional sector. Even with rapid expansion, the modern sector is often too small to absorb surplus labour and new entrants to the formal labour market. The persistence of low average levels of productivity (see table 2) reflects the large number of people who remain trapped in casual work and subsistence activities in agriculture, the urban informal economy or informal self-employment. Therefore, transition to more modern activities is critical in order to generate regular increases in productivity and growth, thereby sustaining poverty reduction (see sect. IV below).

25. Two indicators help gauge the extent of vulnerability in developing countries' labour markets. The working poor are defined as those who are employed but subsist on incomes that are below the international poverty lines of $1.25 or $2 per day. According to new ILO estimates for 2011, 456 million workers had incomes of less than $1.25 per day, and over 910 million less than $2 per day. Those numbers were significantly lower than in 2000, in particular for the former group. The near doubling of the number of working poor when a $2 per day measure is used reflects the large number of people living very close to the poverty line who can be pushed to poverty by even minor shocks.

26. The share of vulnerable employment in total employment is another indicator of the poor quality of jobs in a developing country. The number of workers in vulnerable employment worldwide — defined as the sum of own-account workers and contributing family workers — is estimated to be around 1.5 billion. The incidence of vulnerable employment remains very high in South Asia (at 77.7 per cent), sub-Saharan Africa (76.6 per cent) and South-East Asia and the Pacific (61.6 per cent), with a strong prevalence of women in such jobs. Vulnerable employment accounted for a large portion of the jobs generated in those regions since 2007, masking the true employment impact of the crisis in these countries.

27. Lack of employment or access to decent employment generally causes persons with disabilities to have lower incomes. Furthermore, they spend a significant percentage of their incomes and resources to cover additional costs related to disability. Meaningful employment can create conditions for persons with disabilities to become active contributors, instead of passive recipients, and thus reduce the overall costs of poverty reduction programmes.

28. The crisis hit young people particularly hard. Between 2007 and 2011, the number of unemployed young people (aged 15-24) worldwide increased by an unprecedented 4.5 million. A quarter or more of the young people in Western Asia and North Africa and one fifth of those in the countries with economies in transition are unemployed. In other developing regions, unemployment among young people has increased more than for other age groups. Young people also often face precarious working conditions and are overrepresented among the working poor. They account for 23.5 per cent of poor workers in countries with available data, against 18.6 per cent of non-poor workers.[8]

29. This large stock of poor young workers exists alongside strong demographic growth. According to ILO projections, about 400 million new jobs will be needed over the next 10 years just to keep pace with the increase in the labour force worldwide. Demographic pressures are more significant in the poorest countries. In the least developed countries, where 60 per cent of the population is under the age of 25, about 15 million new jobseekers per year are projected to enter the labour market between now and 2050. A large and growing young population can be a driver for economic growth and social progress provided they enjoy education, health and decent employment. Without these prerequisites, many young people will not be able to escape poverty and vulnerability. The disenchantment of young people facing unemployment and exclusion is reflected in many ways, not least through the protests that have unfolded in countless cities and countries in recent months.

Box 3
Regional priorities

Three regional meetings were organized in support of the annual ministerial review of the Economic and Social Council in 2012. Each meeting focused on the specific regional priorities pertaining to the theme of the review and brought together a diverse group of stakeholders, including Governments and representatives of the private sector, civil society and the United Nations system. Although challenges vary across regions, common priorities include the need for full and productive employment policies, inclusive growth and development strategies and improved matching of education and training curricula with labour market needs.

The meeting for Asia and the Pacific, on the theme of "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals", was held in Kyoto,

[8] ILO, "Working poverty in the world: introducing new estimates using household survey data", in *Key Indicators of the Labour Market*, 7th Edition (Geneva, 2011).

Japan, on 7 December 2011. Issues discussed included integrating employment objectives into national development strategies, overcoming gender gaps in labour force participation and increasing domestic demand for sustained growth.

The meeting for Africa, on the theme of "Small and medium-sized enterprises as drivers of productivity and job creation", was held in Addis Ababa on 25 March 2012. Issues discussed included making growth more inclusive, creating an enabling environment for successful small and medium-sized enterprise development and promoting enterprise development that results in productivity gains and job creation.

The regional meeting for Latin America and the Caribbean was held in Montevideo, on 27 April 2012, on the theme "Productivity, employment and social protection". The outcomes of the meeting included recommendations to address regional labour challenges, through the establishment of social protection floors to address inequality; the development of a methodology to map labour market needs, design education and training initiatives and improve the quality of jobs; the diversification of economic activities to minimize vulnerability to external shocks; the establishment of a global high-level panel on jobs to develop better policies for employment creation; the development of regional youth employment programmes; the revival of the United Nations youth employment network; and strengthening social dialogue mechanisms.

III. A global jobs pact

30. At the onset of the global financial crisis in 2008, most countries embarked on discretionary fiscal stimulus measures. Those actions — taken simultaneously — made a difference, boosting growth and increasing the number of jobs in the midst of a dramatic recession. Fiscal packages prioritized support to the banking sector in order to avoid the risk of a financial meltdown, but they also included measures to retain jobs and sustain incomes. Employment rebounded promptly in emerging economies, in part thanks to interventions that favoured public spending for infrastructure, social protection and access of productive enterprises to credit. Soon, however, priority shifted to fiscal consolidation and austerity measures.

31. The current outlook of sluggish global output calls for a new series of coordinated policies to boost the real economy, jobs and incomes. Fiscal space may not be large, but a series of relatively modest simultaneous national measures to promote investment in decent jobs could go a long way towards restoring confidence and, through multiplier effects, reinforcing the consumption and investment drivers needed to raise global economic growth.[9]

[9] According to the Department of Economic and Social Affairs, a coordinated strategy for jobs could accelerate growth by between 1 and 2 percentage points in both developed and developing economies, helping employment rates return to their pre-crisis levels by 2016 (see *World Economic Situation and Prospects 2012*, New York, 2011).

32. Action is needed in the developed economies, where growth is stagnant, as well as in the developing countries that are weathering the crisis relatively well, but where poverty remains deep-seated and labour markets highly vulnerable. In particular, in the emerging economies that have gained greater economic autonomy in recent decades, new measures to favour investment provide an important opportunity for poverty eradication and future productivity, by addressing the needs of young people, extending social protection and preparing the transition to greener and more sustainable development. These countries, which often emerge as new partners in development cooperation, can share valuable lessons with other developing countries. South-South and triangular cooperation are expected to be drivers in all three pillars of sustainable development in the future.

33. The specific circumstances, priorities and needs of each country and region differ, as does the scope for action. Countries that enjoy stronger debt and budgetary positions can afford expansionary fiscal policies. Countries running deficits might be able to moderate the pace of consolidation if they have the support of a global growth strategy. In each case, new fiscal space could be gained by reallocating current expenditures to those measures that have greater impact on employment generation and social protection, matching increases in spending with tax reforms to enhance revenue collection and eliminating inefficiencies and corruption.

34. While macroeconomic stability is crucial, increased budget allocations for agricultural and rural development are critical in countries with a young population, where agriculture is the mainstay of the economy and a major employment sector, but its performance is below potential. In such contexts, the macroeconomic framework should foster the expansion of productive capacity and mobilization of domestic resources, while aiming at medium-term fiscal sustainability.

35. The rationale for a global strategy is well established. No country or group of countries can act alone. In a situation in which countries have no incentive to pursue anything other than an "each on its own" strategy of export-led growth based on low wages, inaction would lead to a race to the bottom. In developing countries, inaction would lead to a situation in which not enough jobs were created to absorb the large amount of surplus labour, particularly in a situation where consumption growth in industrialized economies is no longer inflated by overvalued assets and cheap credit.

36. The call for action is coming from many different quarters. The Group of Twenty (G20) has reinforced its commitment to promoting growth and jobs through the action plan agreed in Cannes in November 2011. A framework for multilateral cooperation exists through the G20 mutual assessment process (MAP). However, there has been some hesitation when it comes to initiatives on the fiscal front, and strategies for containing unemployment and underemployment reflect conventional thinking (e.g. liberalizing labour and product markets, developing human capital and reducing regulatory burdens). Given the scope of the global employment challenge, this approach is likely to fall short.

37. A much stronger approach, centred on the promotion of a job-rich and robust recovery, is needed. In the words of the Secretary-General: "The time has come to write a new social contract for the twenty-first century. That contract must include a Global Jobs Pact."[10]

[10] Remarks to the 2011 Labour Summit (available from http://www.un.org/apps/news/infocus/sgspeeches/statments_full.asp?statID=1366).

38. Adopted in June 2009 by the tripartite constituency of the ILO, the Global Jobs Pact provides a set of internationally agreed principles and policy measures aimed at supporting a rapid recovery sustained by investment, enterprise development, social protection, rights at work and social dialogue. Endorsed by the General Assembly (see resolution 65/1) and welcomed by the G20, the Pact calls for the rapid implementation of a coordinated set of measures including support of sustainable enterprises, building adequate social protection for all, enhancing the quality of public services and ensuring synergies between State action and the market. Countries have applied some of the measures suggested by the Pact in their stimulus plans, adapting them to their specific national circumstances and needs.

39. The Pact highlights the situation of vulnerable groups, in particular youth at risk, low-wage and low-skilled workers, workers in the informal economy and migrant workers. It recommends measures to retain employment and facilitate labour market transitions through the strengthening of skills development, high quality training and education, public employment services and other labour market institutions. It warns against protectionist solutions as well as the damaging consequences of deflationary wage spirals and worsening working conditions. It underlines the need, at times of heightened social tension, to ensure respect for international labour standards and to engage in meaningful social dialogue. Finally, it recommends that short-term actions be coherent, with economic, social and environmental sustainability.

Box 4
Indonesian Jobs Pact

The Indonesian Jobs Pact highlights four areas that are based on the national medium-term development plan and the priorities of the social partners: creation of employment; strengthening industrial relations; enhancing the quality and coverage of social protection; and improving labour productivity. Investment in infrastructure was both a countercyclical and a developmental policy. It combined strengthening of an existing project of infrastructure investment with reduction of income taxes to sustain household demand. Community-based infrastructure investment programmes had a large employment and growth multiplier at the local level and contributed to vocational and entrepreneurial skills development, poverty reduction and inclusive growth. One million jobs were created, mostly through the fiscal stimulus.

IV. Productive capacity, investment and competitiveness

40. A sustained public effort to bring in private investment to address infrastructure gaps would rapidly contribute to enhancing productive capacities and generating much-needed jobs in developing countries. It should be coupled with easier access to credit for productive enterprises, especially micro-, small- and medium-sized enterprises, and reforms to foster technological change and productive diversification in line with the changing structure of the global economy and the transition to sustainable development.

41. The United Nations Conference on Trade and Development (UNCTAD) defines productive capacities as the productive resources, entrepreneurial capabilities and production linkages that determine the capacity of a country to produce goods and services and enable it to grow and generate jobs. The development of a small and medium-sized enterprise business sector is an essential component of productive capacity development. This is often the missing link in developing countries, where most enterprises are minuscule, operate in an informal setting without legal recognition or registration, have low productivity and are active mainly in markets where barriers to entry are very low and demand is local and saturated. While small firms could play an important role in creating employment and spurring growth, their competitiveness is undermined by inadequate infrastructure, limited access to financial and business services, poor public support to clustering and value chains and an uncertain business environment. This is particularly true for rural areas, as the potential role of micro-, small- and medium-sized enterprises in promoting rural employment, especially for young people, is hampered by a wide range of constraints which reinforce each other.

42. Addressing gaps in infrastructure — with respect to transport, housing, energy, water, information and communication technology and regional infrastructure — could open up markets and relieve constraints to development of micro-, small- and medium-sized enterprises, while providing public goods that improve workers' productivity over the long term. The growth and employment multiplier of investment in infrastructure is strong.[11] Indeed, mobilizing international and domestic resources for investment in infrastructure in the least developed countries is one main priority of the Istanbul Programme of Action.

43. Greater access to domestic financial resources on affordable terms is also essential for higher productive investment by micro-, small- and medium-sized enterprises in developing countries. Many developing countries, following the advice of international financial institutions, deregulated their financial sector and discontinued specialized credit facilities for micro-, small- and medium-sized enterprises, resulting in a decline in access to affordable credit for such enterprises. This trend needs to be reversed; Governments should ensure affordable credit to strategically important sectors and prevent excessive high bank lending rates. Provision of credit by public financial institutions and provision of guarantees for certain types of credit or joint public/private financing are possible measures, if properly managed, to exert such influence.

44. The long-standing neglect of agriculture in many developing countries should be reversed, especially in African least developed countries. There are significant investment opportunities with the potential to increase productivity and earnings in rural areas, helping poor countries cope with climate change and ensuring domestic supply of food in the face of volatile international prices. However, Governments should be extremely cautious in opening up the agriculture sector to foreign investment. There are concerns that land grabs by foreign investors might not necessarily improve domestic food security. Instead, Governments should support smallholder farming and production of local food crops. The economic and employment multiplier effects of smallholder farming are well known.

[11] Justin Yifu Lin and Doerte Doemeland, "Beyond Keynesianism: global infrastructure investments in times of crisis", Policy Research Working Paper, No. 5940 (World Bank, 2012).

45. Parallel to an intensification of environmentally sustainable agriculture, it is essential to promote an increase in non-farm wage employment, self-employment and entrepreneurship in order to absorb the large numbers of the underemployed and the new entrants to the labour market (especially young people and women). Investing in agriculture and rural development in order to achieve a well-integrated domestic economy, with strong intersectoral and rural-urban linkages, will set developing countries on a higher path of sustainable and job-rich growth.

Box 5
Comprehensive Africa Agriculture Development Programme

Through the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP), African countries are committing to the targets of raising agricultural productivity by at least 6 per cent per annum and public investment in agriculture by 10 per cent. The Programme focuses on improving food security and nutrition and increasing income in Africa's largely farm-based economies. It serves as a policy framework for national and regional programmes for investment and action in pursuing increased and sustainable productivity in agriculture, forestry, fisheries and livestock management. The programme has the potential to integrate objective and evidence-based mechanisms and programmes to address decent employment in a gender-sensitive manner.

46. The array of constraints to business remains large in poorer settings, as they include lack of skills and limited access to information, social networks, value chains and technology. Policymakers can help small firms to integrate into, and reap more benefits from, local and international value chains by facilitating the formation of cooperatives that combine microproducers and small producers into larger aggregates and can capitalize on economies of scale. Providing business services and strengthening capacities to understand, adapt and use technology remain paramount.

47. One important policy question is how to address the constraints that affect the capacity of household and (very often informal) micro-enterprises that operate in traditional sectors and account for the bulk of jobs in developing countries to grow and generate earnings. This can only be achieved gradually, as the drivers of informality are multiple and deeply rooted in long-standing development gaps and weaknesses. Tackling informality requires integrated approaches, including access to markets, entrepreneurial skills, finance, business services and local development strategies. Strengthening the organization and representation of informal economy workers (employees and self-employed), as well as improving regulations and providing assistance with compliance, are also essential requirements. Extending the coverage of social insurance can be very important to provide some immediate relief to subsistence enterprises while waiting for the effects of reforms (see section VII below).

48. Redistributive policies financed out of tax revenues collected in the modern sector might be needed to sustain income and local purchasing power and to ensure

some accumulation of skills and other productive assets in the traditional sector. Successful domestic revenue mobilization, on which redistribution policies depend, requires reforms to enhance the effectiveness of tax administration, close loopholes and strengthen compliance without overtaxing the modern sector. The role of aid as a catalyst to support strengthened tax systems and good practice standards for such support has been well documented and has gained increasing attention in the international debate of late.

V. Strengthening skills and labour markets for inclusive and equitable growth

49. A wide range of policies and regulations can be used to improve labour market opportunities for individuals by helping them obtain necessary skills and facilitating labour market transitions — from school to work, out of unemployment or between jobs — while ensuring protection from discrimination and unfair treatment, including on grounds related to gender and health. Countries that have been most successful in skills development (such as Costa Rica, New Zealand and the Republic of Korea) were able to sustain a "virtuous circle" of coordinated policies linking education systems, skills formation, employment and decent work. They made high quality education broadly available and introduced mechanisms to match supply to the current demand for skills, often by means of linking training providers and employers at sectoral and local levels. They helped workers and enterprises adjust to change and used skills strategically as a core element of industrial, technology and trade policies to move from lower to higher productivity activities and facilitate investment in new industries. Involving workers and the private sector was a main feature of this circle. Private sector investment in training and building of skills is fundamental.

50. Although high quality basic education remains a development imperative, after years of neglect, there is renewed emphasis on the potential benefits of higher levels of education and technical training on employment. Linking technical and vocational education and training with on-the-job training and training-related active labour market policies, through apprenticeships and effective school-to-work programmes, is a powerful tool to enable people to acquire employable skills and generate income through wage-earning jobs or self-employment. In the private sector, effective training systems have facilitated demand-driven training in sectors and locations with high job growth potential, avoiding bottlenecks and improving employability, with solid labour market information and analysis adding significant value. Training institutions were seen as true "service providers" and were made accountable based on their impact on labour market outcomes.

51. Expanding the accessibility of high quality training is a powerful instrument for empowerment and inclusion of women and disadvantaged groups, such as young people, rural dwellers and persons with disabilities. In some cases, apprenticeships in the informal economy can offer young people an opportunity to learn a trade and enter the world of work. In the poorest countries, particularly in Africa and South Asia, informal or traditional apprenticeships are the largest provider of skills for the mostly informal — labour market, far surpassing the output of formal education and training institutions.

52. It is most effective to upgrade informal apprenticeship by capitalizing on existing structures and addressing main deficits. Apprentices acquire the skills for a trade or craft in a micro-enterprise or small enterprise, learning and working side by side with experienced craftspersons; they learn technical skills and are inducted into a business culture and network that makes it easier for them to find jobs or start businesses upon completion of their apprenticeship. A step-by-step approach combining different types of interventions may be required to improve the quality of training and of skills acquired, working conditions, skills recognition beyond the local community, financial arrangements and young women's access to non-traditional occupations. ILO is currently piloting this approach in Bangladesh, Benin, Burkina Faso, the United Republic of Tanzania and Zimbabwe. Special attention should be paid to avoiding infringements on decent work, including abuse with respect to hours, pay, health and safety, as well as the persistence of gender stereotypes and occupational segregation.

53. Skills development is a popular response to the challenge of unemployment of young people. Effective programmes usually involve packages of training combined with labour-market services. These aim at providing advisory services and career guidance, vocational counselling, job-search assistance and job placement, as well as access to different types of training, including combinations of learning and earning through apprenticeships or subsidized employment in return for on-the-job training. Successful entrepreneurship programmes provide basic business skills and link would-be entrepreneurs to mentoring, finance and market opportunities. In the context of the global economic crisis, packages of training, job-search assistance and job placement have been introduced or expanded in countries including Argentina, Germany, Greece, Hungary, the Netherlands, Peru, the United Kingdom of Great Britain and Northern Ireland and the United States of America. These integrated approaches are needed to assist young people in their transition from school to work and to tackle the multiple constraints they face in the labour market. However, they can be expensive to fund and administer.

54. Clearly, the potential benefits of training are not realized without job-rich growth. The situation in North Africa and the Middle East, where many unemployed and discouraged young people are highly educated, suggests that investment in human capital is an absolute value but, alone, is not sufficient to generate employment if conditions for the development of sustainable enterprises are absent. Similarly, to the extent that job creation is constrained by gaps in aggregate demand, active labour market policies that reduce information and search costs can have a limited impact in generating new jobs on a large scale or helping job seekers find new opportunities in alternative sectors or firms.

55. The expansion or introduction of public employment schemes has been a common means to respond to the global crisis, adopted by 34 out of a sample of 43 countries surveyed by the ILO and the World Bank (examples include Australia, Argentina, Bangladesh, Ghana, Jamaica, Philippines, Republic of Korea, Saudi Arabia, Serbia, Uganda, United States and Uruguay).[12] Some recent innovative public programmes have proven effective in providing employment and social protection to young people living in poverty, while creating a small-scale

[12] Florence Bonnet, Catherine Saget and Axel Weber, "Social protection and minimum wages responses to the 2008 financial and economic crisis: findings from the ILO/World Bank Inventory", Employment Working Paper No. 113 (Geneva, ILO, 2012).

infrastructure to increase productivity in disadvantaged economies or adaptation to climate change. These include the National Rural Employment Guarantee Act in India and expanded public works programmes in Ethiopia, Kenya, Mali and South Africa. Such programmes are mostly implemented in rural areas. Governments need to find similar innovative programmes for urban young people, especially educated young people.

56. Good institutions and regulations are essential for the labour market to work efficiently, while ensuring inclusion and equity. Labour market regulations have a fundamental role in promoting worker protection, including provisions on such issues as minimum age, minimum salary, unfair dismissal, maximum hours and overtime, job benefits, occupational health and safety, and antidiscrimination policies to protect women, persons with disabilities, minorities and migrant workers. Such provisions not only protect the dignity and rights of the worker as embodied in international labour standards, they also mitigate the costs of market failures to individuals and the economy in general. For instance, without severance pay, employers would not internalize the social costs of dismissing a worker, such as the costs of unemployment borne by the individual, as well as by the Government. Official development assistance often serves as an incentive to promote accountability and transparency, Government effectiveness, the rule of law and human rights, all of which are relevant preconditions for sound national labour policy.

57. The function of labour market institutions is a highly controversial issue that has been at the centre of policy debate for decades. Efforts to assess empirically their economic impact have brought mixed results, with most studies tending to neglect the wider benefits of protection, focusing only on the constraints posed upon business. By and large, the prevailing attitude had been to assume that worker protection was a luxury that most enterprises in developing countries could not afford. To some, it even appeared to be a main factor underlying the spread of informal economic activities in poor countries, although institutions such as employment protection legislation applied only to the small minority of workers in the formal economy and were often poorly enforced. It should be noted that, in surveys about the perception of constraints among enterprises in developing countries, labour regulations are rarely a major concern compared with issues such as corruption or lack of infrastructure, finance or skills.[13]

58. A recent perspective suggests that strengthening labour market institutions can help generate sustainable jobs in three main ways: (a) by narrowing income inequalities through inclusive labour markets and stronger social protection; (b) by increasing productivity through measures that support labour mobility while encouraging employment stability; and (c) by promoting mechanisms for wage determination that raise living standards for all working families and ensure that earnings grow in line with productivity.[14] Good design is critical to successful outcomes. Independent and representative trade unions and employers' associations play an important role in ensuring a legislative framework and a modus operandi that strike a balance between economic efficiency, growth and worker protection.

[13] World Bank, Enterprise Surveys (available from http://www.enterprisesurveys.org).

[14] ILO and IMF, "The challenges of growth, employment and social cohesion" (Geneva, 2010).

59. In developing countries, formal labour market institutions usually focus on unfair dismissal and the setting of a minimum wage; however, labour market institutions, in general, suffer from limited capacity and poor governance. In most poor countries, the main issue is not unemployment and the lack of jobs, but the lack of decent work. A clear priority is to strengthen labour market institutions while reducing unnecessary administrative hurdles and costs. This could encourage the formalization of enterprises while improving effectiveness in achieving the original purpose of protecting workers. It is important to promote the ratification and implementation in law and practice of international labour standards and to extend representation rights to all categories of workers, including rural workers, women and indigenous people. Collective bargaining and freedom of association, organization and representation of workers and employers, associations of self-employed, cooperatives and community organizations — often weaker in developing countries — have important developmental impacts. As informal, non-contractual forms of work abound, it is also important to design innovative schemes for the extension of protection to workers that are out of the reach of regulations and laws, including through employment guarantee schemes and social transfers.

VI. Effective social protection programmes for poverty reduction and resilience

60. Effective social protection is a key component of a comprehensive policy package aimed at strengthening domestic sources of economic growth, reducing poverty and enhancing resilience to shocks. The repercussions of the global financial and economic crisis, and of high food prices and increasing food price volatility, clearly underline the role of social protection in enhancing the resilience of individuals, families and communities in adjusting to shocks, stabilizing the economy and adapting to structural transformations of the economy and the labour market. Countries that had social protection schemes in place before the crisis were able to respond in a more timely and effective manner compared to those that did not. Social protection is also key to ensuring that the most marginalized populations are able to overcome social, economic and discriminatory barriers to accessing services.

61. Despite significant progress in recent years, a large majority of the world's population still does not enjoy comprehensive access to social protection. ILO estimates show that well more than half of the global working-age population cannot expect to receive any kind of old-age pension, and are thus exposed to a considerable degree of income insecurity in old age. Regional estimates show that this is true for about three in four individuals in Sub-Saharan Africa and two of three individuals in Asia. Less than one fifth of the global working-age population is covered by social protection in case of unemployment. A large proportion of the global population is not covered by any form of social health protection through health insurance or access to public health services, and thus faces a lack of access to health-care services in case of need. High out-of-pocket payments for necessary health-care services, particularly for persons with disability and migrant workers, still constitute an important poverty risk in many parts of the world.

62. The following examples of national experience show that closing gaps in social protection coverage contributes to reducing poverty, inequality, social insecurity and social exclusion, and to promoting sustainable economic and social development. China, Colombia, Ghana, Rwanda, Thailand and Viet Nam have significantly expanded insurance coverage by introducing or expanding subsidized health insurance contributions and improving the quality of health services. They have made considerable progress in increasing the coverage of the population, widening effective access to health services and reducing health-related poverty risks. Brazil, Chile, Mexico and Nicaragua, among others, established and expanded cash transfer programmes that explicitly linked cash transfers to poor families with children to conditions such as school attendance and participation in vaccination and other health prevention programmes. Other countries, such as Argentina and South Africa, extended their cash transfer programmes to school feeding and poor families in order to strengthen early investments in the nutrition, health and education of children and improve their chances of engaging in decent and productive employment in the long run.

63. Bolivia (Plurinational State of) and some small States, such as Cape Verde, Lesotho, Mauritius, Namibia and Nepal, among others, introduced non-contributory pensions to their elderly populations, which, despite their generally modest benefit levels, provided critical contributions to reducing poverty in old age. India's Mahatma Gandhi National Rural Employment Guarantee Scheme has provided more than 50 million households in rural areas with 100 days of guaranteed employment or cash transfers in 2009 and 2010. Bahrain and Viet Nam, among others, have introduced unemployment insurance benefits in order to ensure income security and support in finding a new job through employment services to unemployed workers.

64. A number of countries, including Argentina, Benin, Burundi, Cambodia, Ghana and Thailand, have adopted comprehensive social protection strategies that aim at extending social security coverage and building their national social protection floor. Burkina Faso, Cambodia and Honduras pursue integrated social protection and employment policy frameworks that aim at effectively reducing poverty in the short term and fostering social development in the long term. The benefits of extending social protection policies in a well-coordinated and institutionalized way is highlighted in the experience of a small island developing State, Cape Verde, which graduated from least developed country status in 2007. Cape Verde has taken bold steps to progressively build a social security system that combines contributory and non-contributory benefits, including institutionalizing its large-scale school feeding programme.

65. The increasing recognition of social protection as a means for reducing poverty and enhancing resilience has been channelled into a global initiative to promote national social protection floors within progressively comprehensive national social security systems. The Social Protection Floor Initiative, established in 2009 as one of the joint United Nations crisis response initiatives, promotes this objective as a key component of economic and social development. Systematically linking the areas of social security, employment, health, education, nutrition, housing and sanitation, national social protection floors enable the realization of rights enshrined in the Universal Declaration of Human Rights and relevant international conventions, and accelerate progress towards achieving the Millennium Development Goals.

66. National social protection floors can be realized by a broad range of means, including contributory and non-contributory schemes, providing benefits in cash or in kind, means-tested or not, depending on national circumstances. Various United Nations agencies have shown that a basic floor of social transfers is affordable in all countries at all stages of economic development, although the least developed countries may initially need assistance from the donor community. The International Labour Conference will discuss a proposed recommendation in June 2012, which would — if adopted — provide flexible and meaningful guidance to Member States in establishing and further developing their social protection floors within progressively comprehensive social security systems.

VII. Promoting sustainable development

67. Climate change mitigation and adaptation can be seen as a process of structural economic and social change towards the use of renewable energies, climate-friendly technologies, low-carbon equipment and appliances, and more sustainable modes of production and consumption. In this process, adjustment costs will occur, but, at the same time, new market opportunities will arise and new jobs and incomes will be generated. Sustainable development therefore implies a transition to a green economy where economic, social and environmental challenges that are closely intertwined are tackled together. It is likely to be much more difficult to realize progress if the global economy is in recession, unemployment is rampant and social inequalities are widening. On the other hand, public policies to respond to the present jobs crisis — if formulated with green in mind — provide a singular opportunity to set a path towards environmentally sustainable growth.

68. Public and private investments to stem or mitigate the causes of climate change can be used for stimulating the economy and creating employment. New "green collar" jobs and occupations will emerge, as new types of skills and competencies will have to be incorporated into existing occupational profiles. Developing new training curricula and launching green entrepreneurship promotion campaigns, for example among young people, should be grounded in new green skills requirements in the labour markets.

69. The social dimension is an integral part of a successful transition to a green economy. Alternative adjustment measures should be assessed with the inclusion of the different social impacts of green economy transitions and their potential benefits. Policies that aim directly at poverty reduction, such as investment in education and access to basic services, including water, sanitation and energy, should continue to be prioritized. In addition, investment in the natural assets on which poor communities depend for their livelihoods, should be enhanced, including agriculture, fisheries and forestry. Social security and social protection can play powerful complementary roles in reducing vulnerability, enhancing adaptive capacity and absorbing the residual impact of climate change not buffered by adaptation measures.

70. In all countries, there will be winners and losers in the labour market. Workers and employers will be affected differently — positively and negatively — by sustainable development policies. Policies to reduce unsustainable production patterns may contract employment and enterprises in some sectors and countries, while policies to encourage, for example, renewable energy and low-emission transportation, are likely to expand employment opportunities. A fair and well-

managed transition for workers and entrepreneurs through the rapid changes is required, involving consultations, social dialogue and active labour market policies, particularly relating to the needs of the most vulnerable.

71. The Secretary-General has proposed the Global Green New Deal to accelerate economic recovery and job creation while addressing sustainable development, climate change and food security challenges by front-loading massive public investments in developing countries in renewable energy and smallholder food agriculture to induce complementary private investments in sectors previously lacking private sector interest. Global cross-subsidization and large-scale public investment would be required in order to attract private investment. Following years of easy credit and overinvestment before the crisis, the world now faces underutilized capacity in most profitable economic sectors. There is therefore an understandable reluctance to invest on the part of the private sector. In this situation, only well-coordinated cross-border public investments can fund the needed green public goods and induce complementary private investment to address these global challenges. Such investments would contribute not only to sustained economic recovery, but also to climate change mitigation, while advancing developing countries' developmental aspirations and ensuring affordable food security.

72. Globally, the agriculture sector provides over 1 billion jobs, and in many developing countries, agriculture generates from 20 per cent to more than 50 per cent of national GDP. Furthermore, the majority of poor people live in rural areas, with incomes based on agriculture. The agriculture sector therefore needs a fundamental paradigm shift towards more sustainable practices and technologies. The application of green agricultural methods could become a key driver to reduce environmental degradation and poverty by increasing farm yields and returns to labour, improving ecosystem services and securing the livelihoods of poor people who depend directly on such services. It involves moving towards "climate-smart agriculture", which is defined as agriculture that sustainably increases productivity and resilience and reduces greenhouse gases, while enhancing the achievement of national food security and development goals.

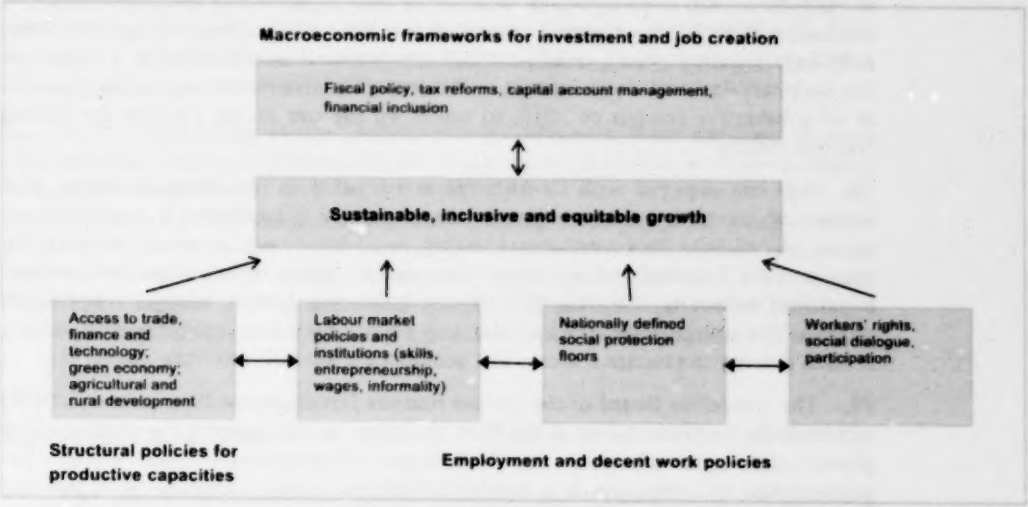
73. Economic and market barriers to technology transfer and low levels of external financing may constrain green investments in developing countries. There is a need to strengthen financing and technical cooperation provisions for technology transfer through development cooperation programmes, external assistance grants and loans, export credit funding and foreign direct investment.

VIII. Policy coherence for decent work and full and productive employment

74. The Global Jobs Pact is premised on a combination of measures to produce better and more lasting results. Most policy measures have secondary effects that either reinforce or weaken the effects of measures in related areas. Policy coherence is of paramount importance in achieving the objective of promoting a stronger job-rich recovery leading to sustainable, inclusive and equitable growth. A sustained generation of decent and productive jobs will be achieved only through implementation of macroeconomic, employment and labour market policies that complement each other. Industrial, trade and sectoral policies also play important roles in enhancing the organizational capabilities of firms, innovation, technological

progress, productivity and longer-term sustainability. Connecting those policies with skills and training systems has been an important ingredient of success in many countries. The figure below provides a simplified framework for coherence of policies to achieve sustainable, inclusive and equitable growth.

Figure
Framework for policy coherence


Macroeconomic frameworks for investment and job creation
Fiscal policy, tax reforms, capital account management, financial inclusion
Sustainable, inclusive and equitable growth
Access to trade, finance and technology; green economy; agricultural and rural development
Labour market policies and institutions (skills, entrepreneurship, wages, informality)
Nationally defined social protection floors
Workers' rights, social dialogue, participation
Structural policies for productive capacities
Employment and decent work policies

Source: ILO.

75. Each set of policies related to skills and labour markets, the green economy or social protection will require multisectoral coordination across policy areas, extending beyond the direct responsibility of single ministries. The creation of synergies through the systematic promotion of mutually reinforcing policy action across Government departments and agencies is necessary in order to achieve multidimensional objectives, such as poverty eradication. The pursuit of policy coherence in the conduct of public affairs, however, is a challenging task, as policymaking is a complex process in which multiple goals must be pursued in parallel and the conflicting requirements of diverse constituencies balanced. Policymakers, moreover, may operate in an uncertain and evolving environment, with limited information and imperfect knowledge of the impacts and trade-offs associated with a given policy lever. Reviews of institutional good practice offer some insight on the procedures and tools that may work more effectively. Those reviews show the importance of the commitment by political leadership to a given policy objective, a strategic policy framework, an efficient and flexible bureaucracy, good information and analysis and a transparent decision-making process.

76. Opportunities for coherence are provided through multiple means, such as interministerial mechanisms, local and sectoral councils, value chains and clusters, and social dialogue platforms. Tripartite consultations with employers and workers' organizations can provide a significant degree of practical knowledge and commitment to synchronize economic and social policies. Social dialogue plays an important role in contributing to policies and regulations that ensure efficient and inclusive labour markets, increases in productivity and a fair sharing of the earnings.

77. United Nations agencies are well placed to assist Member States to enhance their capacities for coherent policymaking, collecting and analysing relevant information, encouraging the participation of multiple stakeholders and policy dialogue, setting methodologies and benchmarks for monitoring and evaluation, and supporting the sharing of good practice and peer reviews. This role was acknowledged by the Economic and Social Council in its resolution 2010/25, in which it requested the United Nations funds, programmes and specialized agencies to take the Global Jobs Pact into account in their policies and programmes. In its resolution 2010/37, the Council reiterated that the agenda contained in the Global Jobs Pact required policy coherence and international coordination and requested the Secretary-General, in his report to the annual ministerial review of the Council at its substantive session of 2012, to report on the use of the Pact by the United Nations system.

78. ILO has engaged with its tripartite constituents in providing assistance to a number of countries that have expressed their intention to implement a comprehensive set of Global Jobs Pact measures. Country scans have been prepared to detail the impact of the financial and economic crisis and to outline policy responses in seven countries (Argentina, Bulgaria, El Salvador, Indonesia, Jordan, Mongolia and South Africa). The scan provides the key elements needed by the national tripartite process in each country to prepare policies that accelerate a job-rich recovery.

79. The Executive Board of the United Nations Development Programme (UNDP) endorsed the implementation of the Pact, outlining its relevance in the context of the global crisis and achieving the Millennium Development Goals. UNDP has strengthened its operations in a number of relevant areas, including skills training and childcare for single mothers, collection and use of gender disaggregated labour market data, promoting entrepreneurship and self-employment (particularly among young people), public employment programmes and the employment dimension of each of the Millennium Development Goals.

80. Most other United Nations bodies have taken steps to respond to the demands of Member States for assistance in addressing the labour market concerns raised by the crisis, although not always in the form of explicit support to a comprehensive Global Jobs Pact approach. UNCTAD made employment a topic of its trade and development report and plans to discuss new partnerships for trade and development, including with regard to employment-enhancing policies, at its thirteenth session, in April 2012, in Doha. The United Nations Children's Fund (UNICEF) is exploring means to boost fiscal space and investment in the most vulnerable groups of society in order to promote recovery for all. The Food and Agriculture Organization of the United Nations (FAO) is engaged in promoting decent rural employment, specifically with respect to informal employment in agriculture, agro-processing and rural marketing enterprises and industries, as well as small-scale, self-employed and informal agricultural occupations. The United Nations Population Fund (UNFPA) is researching the linkages between population dynamics, employment creation, food security and poverty. The United Nations Educational, Scientific and Cultural Organization (UNESCO) is working on a holistic approach to education and technical and vocational education and training.

81. The proliferation of inter-agency initiatives related to productive capacities, employment and decent work is an important development that can contribute to stronger policy design and implementation. Inter-agency cooperation makes

available a pool of expertise, resources, capacity-building and knowledge networks that countries can rely upon in their policy and programme development. Some initial impetus was provided by the joint crisis initiatives of the United Nations System Chief Executives Board for Coordination (CEB). Each initiative was coordinated by a lead organization working together with a cluster of cooperating organizations and each covered one of several areas relevant to the Global Jobs Pact (e.g. the social protection floor, food security, trade, technology and innovation and a greener economy generating green jobs). New inter-agency work has started on rural development and sustainable tourism for job creation and poverty eradication. Some drive has also been provided by the G20 in eliciting inter-agency cooperation on value chains and the crafting of a global training strategy.

82. As the "Delivering as one" reform process advances, there are signs of more coherent programming of United Nations country-level activities, with some priority assigned to employment and decent work. Employment of young people, for instance, figures prominently and is a special theme in some regions. In spite of the major effort made by international organizations to coordinate their engagement with national strategic planning mechanisms, ensuring coherent policy advice and programme support remain major challenges. Unless national policy coherence mechanisms are strong, international support can result in policy initiatives working at cross purposes.

IX. Recommendations

83. **The long aftermath of the global financial and economic crisis is having a dramatic impact on jobs, decent work and well-being, exacerbating long-standing concerns related to poverty and widening inequality. With this in view, the following recommendations are made.**

Need for global action

84. **In the framework of credible medium-to-long-term fiscal consolidation plans, urgent action must be taken at all levels to regain momentum for coordinated policies aimed at boosting the real economy, jobs and incomes globally. This would entail greater focus on concrete employment and decent work policies at the global level, as well as bold national initiatives in all countries, in particular those with greater fiscal space.**

85. **All stakeholders should collaborate with the United Nations system to create a United Nations youth volunteers programme, and support the Secretary-General's call for a stronger partnership with and for young people, by strengthening the youth focus of programmes on employment, entrepreneurship, political inclusion, citizenship and protection of rights, and education.**

86. **Peer learning and knowledge-sharing among all countries and stakeholders should be enhanced through good practices that foster productive capacities, decent work and social protection floors.**

87. **Productive capacities, employment, decent work and social protection should be made more prominent in the post-2015 development agenda, with**

appropriate targets and indicators in line with the original core values and objectives of the Millennium Declaration, particularly in view of their importance in addressing growth, poverty and inequality.

Policies to build productive capacities, support employment and trigger structural change

88. **Using the Global Jobs Pact as a framework, public and private investments should be increased in infrastructure for urban and rural development, strengthening skills and labour markets, extending income support to the vulnerable and setting conditions for a just transition to green growth. Governments should promote domestic and foreign direct investment and countercyclical measures to help build future productive capacities and trigger structural change, enhancing their efforts to pursue the goals of full employment and poverty eradication in line with national circumstances, priorities and needs.**

89. **Governments should reconfigure policies to promote broad-based economic growth, innovation and sectoral diversification. A sustained public effort to attract private investment to address gaps in infrastructure will contribute to unleashing productive capacities and creating jobs, especially in developing countries. South-South and triangular cooperation can be a catalyst for such efforts. Skills development can make a critical contribution, through coordinated policies linking education, skills formation, employment and decent work. Involving the private sector is essential. Connecting training providers and employers can be especially effective at the sectoral and local levels.**

90. **Special attention should be paid to supporting micro-, small- and medium-sized enterprises, as the most dynamic sources of employment. Small entrepreneurs in all countries should be provided easier access to bank credit. The integration of such enterprises into local and international value chains can be facilitated by forming cooperatives and associations of microproducers and small producers. The multiple drivers of informality should be tackled through integrated policy packages that promote a gradual transition to formal activities.**

91. **Investment in agriculture is critical to reducing poverty and achieving a well-integrated domestic economy with strong intersectoral and rural-urban linkages. Improvements in agricultural productivity and rural non-farm employment can boost earnings in rural areas and help countries and households cope with shocks caused by climate change and volatile food and fuel prices. Gender-sensitive agricultural investment is also crucial to unleash the vast possibilities for contribution by women small-scale producers.**

92. **Governments, businesses, workers and trade unions should jointly develop green economy road maps in key industrial sectors, with concrete goals and benchmarks, including for net creation of jobs and poverty eradication. Building green economies for more inclusive, sustainable and equitable growth will require new investments, skills formation, technology development and transfer and capacity-building. International cooperation in those areas should be strengthened, and innovative sources of financing developed. Targeted measures, such as worker retraining and aid for trade, can assist with minimizing transition costs.**

93. **Employment objectives should be integrated in national strategic policy frameworks to ensure greater policy coherence, and macroeconomic frameworks should explicitly take into account the goals of job creation and poverty reduction. Tax policy can play an important role in employment generation and fair redistribution of earnings. Policies should be formulated and implemented through broad-based social dialogue and with attention to the quality of governance and public services.**

Focus on the quality of jobs and livelihoods

94. **Governments and partners in civil society and the private sector should work together to facilitate the upgrading of qualifications, job-search assistance and the successful transition of young people from education to work. The lack of high-quality job opportunities, especially for young women and men, should be addressed as a critical priority in both industrialized and developing countries. Well-designed, active labour market policies linked with technical and vocational education, on-the-job training and apprenticeships — both formal and informal — are essential for skills development, employment and entrepreneurship and can help alleviate unemployment and underemployment.**

95. **Governments should implement public employment programmes that have proven valuable in addressing unemployment and underemployment of young people and those from disadvantaged groups, such as persons with disabilities. Successful public employment schemes provide employment and social protection to those vulnerable to poverty, while simultaneously building small-scale infrastructure, skills and other assets, which can, in turn, increase productivity.**

96. **Countries should adjust their legislative frameworks to strike a balance between economic efficiency and labour protection, while fully respecting fundamental principles and rights at work and promoting the ratification and implementation in law and practice of international labour standards. Measures to ensure wages grow in line with productivity are important to ensure a fair sharing of the benefits of growth and sustain a steady expansion of demand and investment.**

97. **Countries should review their social protection policies, and, where necessary, step up efforts to extend social security to larger groups of the population. National strategies to extend social security, including the establishment of national social protection floors, should be pursued based on a careful review of national priorities, existing structures and options for enhancing financial and administrative capacities. Such strategies should combine contributory and non-contributory programmes to help realize the right to social security, including at least a minimum level of income security and effective access to health care for all, particularly workers in agriculture and disabled, migrant and seasonal workers.**

United Nations system-wide coherence and coordination

98. **In order to better assist Member States, the United Nations system, including the international financial institutions, should make additional efforts**

to strengthen coherence and work in partnership to enhance policy dialogue, research, data collection and the provision of technical assistance. The High-level Committee on Programmes of the CEB could provide a platform to promote stronger inter-agency cooperation and dialogue.

99. **United Nations agencies and programmes should enhance their efforts to help countries to develop macroeconomic policies that promote employment generation, including through monetary policies more sensitive to the goals of creating productive and decent jobs. They should explore possibilities for promoting stronger synergies among policy frameworks covering financial, monetary, social and development planning. The Economic and Social Council could serve as a forum for global discussion of such matters, through its annual ministerial reviews and dialogues with the international financial and trade institutions. The Council's Development Cooperation Forum could facilitate a dialogue on how development cooperation can promote employment, decent work and social protection floors.**

100. **Economic, social and environmental policies must be developed alongside sound employment policy. Therefore, consideration should be given to the establishment of a standing agenda item of the General Assembly and/or the Economic and Social Council entitled "Full employment and decent work for all". This would help promote coherent and complementary policies, stronger monitoring of commitments, mainstreaming into the activities of United Nations agencies and programmes, and more effective integration of the three pillars of sustainable development.**